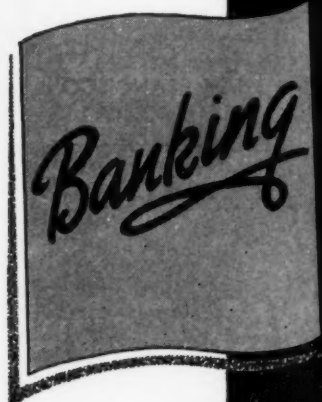


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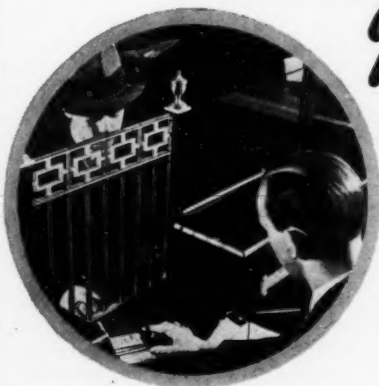
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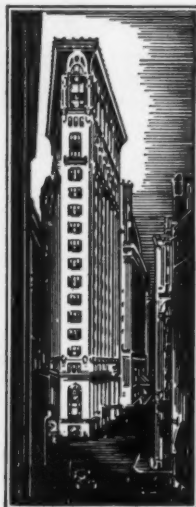
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THURSDAY, JUNE 25, 1942



FIRE • MARINE • CASUALTY • SURETY

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AGENTS EVERYWHERE

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## THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

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## Bulk of Cargo War Risk Now Going to Government

### Cost Difference No Longer Offset by Convenience of Open Policy

NEW YORK—Continued increases in cargo war risk rates in the commercial market have brought about such large rate differences between coverage sold by private insurers and that provided by the war shipping administration that it has become difficult for the companies to hold on to much of this business where the differentials are large, in the absence of some special reason. The main special reason is the uncertainty of dates of vessel sailings from foreign ports, for the government insurance is invalid if purchased after the vessel sailed whereas an open policy would take care of this situation without any trouble.

For this reason importers show much more of a tendency to stick with the private market in the face of price differentials than do exporters, who ordinarily have no difficulty in determining whether the ship on which their goods were scheduled to be loaded has sailed.

### Spread Small at Start

At the start of the government cargo war risk program the spread was relatively small between the government rates and the private rates and the law limited the government to issuance of insurance only where it felt that the private market was out of line. This latter requirement caused some wry amusement among marine underwriters for while they freely conceded that the rates they set might not reflect with the utmost exactness the degree of hazard, they wondered what basis the government could use to get its "correct" rates, since these were only a trifling amount below the commercial rates. Later, however, the law was amended so that government rates could be based on considerations of national interest rather than underwriting accuracy.

The commercial market must make its rates strictly on a realistic appraisal of the hazards involved and the amount of money that the underwriters have lost so far this year, in spite of this policy of pitching rates so as to reflect the hazard, shows that the companies cannot be accused of timidity in the rates they have charged.

### Open Policy a Convenience

Because of the convenience of the open policy insured of course prefer to do business with the companies even at a slightly higher cost but the difference in premium on many voyages is too great to be offset by a mere matter of convenience. On one large shipment

## Carroll New R. I. Commissioner

PROVIDENCE—J. Austin Carroll has resigned as production manager of Manufacturers Casualty and Manufacturers Fire to accept appointment as insurance commissioner of Rhode Island. He succeeds H. N. Morin, who recently resigned to engage in South America insurance operations.

Mr. Carroll, a native of Providence, was graduated from Providence College in 1928. From then until 1931 he handled workmen's compensation matters for the National Bureau of Casualty & Surety Underwriters in Maine, New Hampshire and Vermont, his headquarters being at Portland. In 1931 he was transferred to the bureau's automobile department in the main office in New York. By the time he left to join Marsh & McLennan in 1936 he had attained the rank of assistant manager.

Mr. Carroll was with Marsh & McLennan until the end of last year, when he joined Manufacturers Casualty and Manufacturers Fire.

Manufacturers gave a luncheon in honor of Mr. Carroll this week in New York. Guests included Superintendent Pink of New York, Commissioner Blackall of Connecticut, and T. J. Meehan, director of the Rhode Island bureau of business regulation.

recently, for example, the insured saved some \$30,000 by insuring with the government rather than with the commercial market. An importer or exporter doing business with South America may find that the difference in war risk insurance cost between the government and the private market amounts to more than the expected profit on the entire deal.

Underwriters fully realize that by keeping their rates at levels which reflect the hazards involved they may be writing themselves out of the cargo war risk business but they are in a position of having to lose the bulk of this business or lose their shirts and there is only one sensible choice.

## Separate Check for Each WDC Application Asked

NEW YORK — In handling war damage applications agents and brokers should send a separate remittance with each application if this is at all possible. Home offices foresee possible complications if a single check is sent to cover a number of applications. For example, if one check covers 25 applications and there should be some technical difficulty about one of them the check could not be deposited until this had been cleared up and the result would be that the 24 other applications having nothing wrong with them would also be delayed. With small applications there is probably less chance of trouble but where the application is of any size there should be a separate check or money order, which may be drawn to the War Damage Corporation, the company acting as fiduciary agent, or to the producer, who endorses it to the WDC or the company.

## Tobias President of Ill. Field Group

### Great Call for Service Today on Part of the Associations

#### NEW OFFICERS ELECTED

President—W. B. Tobias, Hartford Fire.

Vice-President—Leo N. Davis, North America.

Secretary-Treasurer—Miss E. E. Edwards.

New members executive committee—C. M. Wilcox, New Hampshire; M. H. Hegbom, Commercial Union, and Harold Williams, American, N. J., for two years, and O. B. Worcester, Great American, one year.

#### By KENNETH FORCE

DELANAVAN, WIS.—A disposition to treat insurance and organization problems more seriously was evidenced at the annual convention of the Illinois Fire Underwriters Association here. The times have brought field men closer together and while attendance was slightly less than in some previous years, everyone was convinced that the work of the association must be continued during the war and if possible strengthened.



L. N. Davis

The election of W. B. Tobias of Hartford Fire as president places a strong man at the helm during a trying period, one with judgment and experience. Leo N. Davis of North America, the new vice-president, entered the business in 1927 with that company. He advanced from the accounting to the automobile underwriting department and then went on the road as special agent. In 1935 he pinch hit for the late Geo. A. Arens, state agent 34 years, and succeeded to that post the next year when Mr. Arens died.

There was a spirited contest for the executive committee posts, but it went on behind the scenes, and by the time the election took place, the field had been reduced to four candidates.

#### President Johnson's Address

H. E. Johnson, Jr., Aetna Fire, retiring president, gave a vigorous, thought-provoking address. It prompted a good deal of favorable comment. He stressed the changes that have occurred in the world during the past 10 years, and the increasing weight of responsibility that those in the insurance business have placed on field men. The need now is greater than ever for men who will not only accept but who will seek new responsibilities. This is especially true in the conduct of the association, which has a more important and more difficult job to do today than ever.

(CONTINUED ON PAGE 26)

## Home Offices Well Geared to Handle WDC Applications

### Special Setups Are Worked Out to Speed Issue of Policies

NEW YORK—Companies acting as fiduciary agents of the War Damage Corporation are definitely not required to set up any records besides those set forth in regulations "B" according to authoritative information obtained from War Damage Corporation headquarters at Washington by E. G. Crapser, secretary of the Meserole group of companies and chairman of the special war damage committee of the Insurance Accountants Association.

Many companies, according to Mr. Crapser, have felt that they should set up special ledgers or have cards punched if they use tabulating machinery but this is not necessary. The system outlined by the WDC has been designed as a complete accounting plan and nothing else is necessary. Compa-



Crowds getting war damage insurance supplies in New York.

nies need have no fear that WDC auditors will expect to find supplementary records beyond those set forth in the regulations.

#### Prepare for Speedy Issuance

Home offices have been preparing for the speediest possible handling of war damage applications, which are expected to reach a peak toward the end of this month. Thursday of this week there will be a special meeting of the Insurance Accountants Association at the Hotel New Yorker, New York City, to interchange views on handling of this business. By that time home offices will have had several days experience with their special war damage setups.

After July 1 speed in reviewing and approving applications will be particularly important because the coverage does not go into effect until date-stamped by the fiduciary agent. Delay would be extremely embarrassing to a company if there should be a bombing raid and the delay caused the applicant to be without coverage. A question of

(CONTINUED ON PAGE 27)

## Insurance Women Playing Bigger Part in the Business

### National Association Meeting in St. Paul Attracts Attention

ST. PAUL—The increasingly large part which women are playing in the insurance business today is emphasized by the annual convention of the National Association of Insurance Women which opened here Wednesday, with President Elsie B. Mayer, Denver, presiding. A flag raising ceremony by cadets from St. Thomas Military Academy lent a patriotic touch to the occasion. Participating in this stirring rite were nearly 250 men and women identified with the insurance business.



Elsie B. Mayer

Following invocation by the Rev. C. H. Gesner of St. John's Episcopal Church, there were the customary welcoming addresses by Mayor McDonough of St. Paul, Commissioner Johnson for the state, G. E. Edmondson, Tampa, president American Association of Insurance General Agents, and Miss Sabina Curran, president St. Paul Association of Insurance Women. The response for the national association was by Bertha Rachofsky, corresponding secretary.

#### Keynote Address by Liscomb

President Mayer then gave her report for the year and was followed by the keynote address of C. F. Liscomb, past president of the National Association of Insurance Agents, who came down from Duluth to attend the convention.

Officers and members of the executive board held business sessions Monday and Tuesday. Wednesday evening a get-together dinner was held at the University Club, on one of the hills overlooking the city. A program of entertainment followed the dinner. Convention sessions continue Thursday, Friday and Saturday. An extra special feature, hitherto unannounced, will be a talk Friday on war damage insurance by Milton W. Mays, B. D. O. director. An ice show at the Municipal Auditorium Saturday evening will wind up the convention.

Milwaukee and Oklahoma City want the 1943 convention, Baltimore has announced its intention of seeking the 1944 meeting. However, conditions are such that it is by no means certain a convention will be held in 1943.

Delegates were welcomed by Vulcan, the Fire King of the St. Paul Winter Sports carnival, who with his red-caped followers was at the Union depot when President Elsie B. Mayer and Bertha Rachofsky, corresponding secretary, arrived from Denver.

#### Liscomb Points to Opportunities

The two were surrounded by the fiery cohorts of Vulcan, hustled into a fire truck and with siren screeching were driven about downtown St. Paul and then to their hotel. Similar treatment was accorded the main body of delegates who arrived Tuesday night.

Opportunities for women in agency work were pointed out by C. F. Liscomb, Duluth, past president National Association of Insurance Agents. The reduction in agency forces, the limited time the business men have for inter-

(CONTINUED ON PAGE 30)

## Wis. Field Groups Discuss War Cover

### Big Topic as Three Bodies Hold Annual Meetings at Lake

#### NEW OFFICERS ELECTED WISCONSIN FIRE UNDERWRITERS ASSOCIATION

President—C. E. Dox, London & Lancashire.  
Vice-President—W. H. Berry, America Fore.

Secretary-Treasurer—E. H. Knox, Crum & Foster.

#### WISCONSIN INSURANCE CLUB

President—R. V. Haser, Ohio Farmers.

Vice-President—E. P. Koepke, Northwestern National.

Secretary-Treasurer—I. E. Frey, Firemen's.

#### ILLINOIS FIELD CLUB

President—F. E. Handley, Dubuque F. & M.

Vice-President—L. E. Whaling, Milwaukee Mechanics.

Secretary-Treasurer—H. J. Conklin, Firemen's.

#### By JAMES C. O'CONNOR

War damage insurance was the major conversation topic at the field meetings at Elkhart Lake, Wis., last week, both during formal sessions and in conversation around the resort. The Wisconsin Fire Underwriters Association held its annual session and the Wisconsin Insurance Club and Illinois Field Club held joint meetings, with all groups getting together for a dinner dance, golf, softball and horseshoe matches and the annual meeting of the Wisconsin Blue Goose.

George H. Gear of the Chicago law firm of McKinney, Folonise & Gear, counsel for the Western Underwriters Association, was the featured speaker at the Wisconsin Fire Underwriters Association meeting. He discussed the new policy of War Damage Corporation and analyzed the war exclusion clauses of the standard fire policy, extended coverage endorsement and other contracts issued by fire insurance companies and their relation to the government insurance.

#### President Girard's Address

In his report, H. J. Girard, Providence Washington, president of the association, stressed the importance of the contact committee, which is concerned principally with preserving public business against non-stock carriers. Competition is getting more and more aggressive on this line, Mr. Girard said, and he urged field men to participate actively, regardless.

(CONTINUED ON PAGE 25)

## Draft Constitution for National Factory Syndicate

HARTFORD—Executives here continue to manifest close interest in developments looking to the reorganization of the three factory insurance writing organizations of the country, into a national body, the constitution for which is being drafted. Once the plan of operations be fully determined upon, the understanding is the services of an outstanding underwriter possessed as well with executive ability will be sought.

During the past year the writings of the associations have greatly increased because of the demand for coverage upon plants already engaged in war work, and upon buildings in course of construction where war work will be carried on. Many of these properties cover immense areas, and the insurance required mounts into the millions.

One of the basic differences between the operations of the F. I. A. and that of the Western Factory is the line governing rule; the former body predicated its consideration upon possible 100 percent loss within four walls, while the Western association figures upon a per case loss estimate, with the result that the latter organization with a lesser per company line authorization, is oftentimes enabled to write a greater amount upon a risk than is the eastern organization. How soon the reorganization program will be completed is unknown; the anticipation is, however, that it will be within a short time now.

## Audit on Tacoma Bridge Loss Is Completed

SEATTLE—The final chapter in the Tacoma Narrows bridge loss was written when State Auditor Cliff Yelle completed an audit for the Washington Toll Bridge Authority showing that the latter body sustained a loss of \$2,216,674.

The audit listed the cost of the bridge at \$6,423,079. The insurance companies paid \$4,000,000 under their direct damage policies, which aggregated \$5,200,000 and the state realized \$206,333 on the salvage, Mr. Yelle estimated.

Outstanding bonds amounting to \$3,750,000 were redeemed from proceeds of the insurance and in addition \$146,000 was paid in premium on the retired bonds. Interest paid on bonds retired in 1941 amounted to \$175,000. The insurance companies also paid a total U. & O. loss of \$240,000.

Mr. Yelle did not say who would finally bear the loss, but pointed out that part of the proceeds with which the bridge was erected came from a federal grant which was made unconditionally by the government.

## War Damage Setup American Way of Doing Job

### Chase Smith Gives Comprehensive Analysis at Detroit Gathering

DETROIT—A comprehensive, critical and informed paper on war damage insurance was given at the meeting here of the National Association of Building Owners & Managers by Chase Smith, counsel of the Kemper insurance companies. Mr. Smith was a member of the committee of the fire insurance industry that worked out the war damage insurance proposal in collaboration with representatives of the RFC, and it was his original draft of the policy and general application form which was accepted as the basis for the coverages.

"I think it can be said that we are facing the problems of a long, expensive and destructive war, with a system of insurance or a framework from which the system can be rapidly extended that will be serviceable to the public in a practical way and which should be an extremely important factor in maintaining the public morale under the adverse conditions with which they may be faced," Mr. Smith concluded. "It has seemed to us that this war damage insurance plan is the American way of doing the job and should be superior to a purely paternal system of so-called free insurance supported by taxes and administered by a political administration. We feel there should be general support of it by business men and property owners because unless there is general acceptance the objective will not be gained and similar results must be attempted through political channels."

#### Favors Closing the Gap

Mr. Smith voiced the opinion that the insurance companies should pick up the gap between their own policies and the war damage coverage. The damage from falling aircraft or from training operations and most of the incidental war hazards, he declared, cannot be catastrophic and thus is susceptible of insurance company treatment.

The conferees tried to make the plan as simple as possible and yet it can hardly be reduced to a mail order scheme, Mr. Smith asserted. It is hard to work out coverage, figure values or apply any method of rating that approaches fairness without some rules and regulations and where there are rules and regulations a technical knowledge is required. Accordingly most people will desire the advisory services of an experienced insurance man.

To be scientific, the rates should have been complicated by territorial distinction, he declared, but this was not the way Congress looked at it. The theory was that science should be sacrificed because of the equity of the general principle that damage by war ought to be spread over the entire people and that it should not fall on property owners by reason of the fortuitous circumstance which has determined the location of their homes or businesses. That will be fine, he said, if people generally buy war risk insurance. However, if people on the two coasts are the only buyers then obviously the rates will have to be indicative of the exposure on the coastal areas.

Mr. Smith expressed objection to the minimum expense of \$1.50 per policy consisting of the \$1 minimum fee to the producer and a 50-cent expense allow-

(CONTINUED ON PAGE 25)

## THIS WEEK IN INSURANCE

Home offices well set up to handle WDC applications. Page 1

Bulk of cargo war risk business going to government insurance plan. Page 1

Annual meeting of the National Association of Insurance Women is being held this week. Page 2

Numerous important changes in the farm schedules are made in Indiana. Page 4

Chase Smith gives valuable analysis of War Damage Corporation setup in addressing National Association of Building Owners & Managers. Page 1

The committee named in New York to investigate further the idea of using renewal certificates in fire insurance plans to go into action very shortly. Page 6

Wisconsin field organizations hold meetings at Elkhart Lake. Page 2

Alex Hurry elected president of Canadian Underwriters Association, action against licensing automobile dealers reported. Page 5

Ninety-seven percent of companies agree to abide by Texas expense stabilization formula, it is disclosed at time of hearing on changes in general basis schedule. Page 4

Missouri insurance department issues a ruling forbidding agencies which represent loan companies to compel the borrower to cancel the insurance and take out new policies with the agency. Page 6

Executive Special Agent Dennis C. Smith of the Home in Illinois addresses Illinois Farm Agents Association on the work of farm agents. Page 3

Sickness benefits are included in the accident policies required of students in the augmented civilian pilot training program that gets under way July 1. Page 17

John H. Egloff, supervisor agency field service travelers, in addressing the convention of the National Association of Insurance Women, comments on comprehensive liability policies. Page 19

Annual meeting of the Illinois Farm Agents Association is held in Peoria. Page 33



## Application Forms for War Damage Being Distributed

**Some Questions Solved, But Many More Arise As Forms Make Rounds**

With less than a week to go, the insurance business is in a feverish state of getting ready to handle war damage insurance for War Damage Corporation. There were no new announcements during the past week about coverage, the current scramble being for manuals, application blanks and policies.

Applications are being distributed by the various fire insurance rating organizations. According to latest announcements, there will be seven application forms, but at a number of rating bureaus the only supply received at first was of No. 2, the so-called general application for single properties at fixed locations, which may also be used for automobiles, jewelry, furs and pleasure watercraft and aircraft.

### List of Applications

The other application forms listed are No. 3, property in transit; No. 4, builders risk on hulls; No. 5, cargo stored afloat; No. 6, hulls; No. 7, growing crops and orchards and No. 11, blanket coverage on two or more locations. Presumably, the applications for securities and registered mail coverage, which were in the original plans but have not been officially announced to date, are among the missing numbers.

Manuals, officially referred to as regulations A, achieved reasonably general circulation during the week and most companies received some policies and accounting forms.

### Some Points Clarified

The applications, as indicated in the government instructions, are to be filled out and signed in triplicate, and each copy has a tab or "ticket" which is to

(CONTINUED ON PAGE 29)

## Alex Hurry Named New C.U.A. Head

**Action Against Licensing of Automobile Dealers as Agents Reported**

TORONTO—Alex Hurry, for 20 years Canadian manager of the Northern Assurance group, has been elected president of the Canadian Underwriters Association. He is also Canadian manager of Royal Scottish and World Marine & General and manager of the fire and casualty department of London & Scottish and Scottish Metropolitan. He was president of the former Canadian Casualty Underwriters Association when the fire, casualty and automobile associations were amalgamated to form the Canadian Underwriters Association and was one of the original vice-presidents of the new association.

### Thom Reviews Activities

Kenneth Thom, retiring president, in his address, stated that the C.U.A. has disposed of the question of company-agency relationships except in the cities of Toronto and Montreal. In an effort to remove the discrimination in taxation of stock companies and mutuals and reciprocals, a C.U.A. committee had interviewed the minister of national revenue, a brief has been filed and consultation held with the finance and income tax departments.

Mr. Thom outlined collaboration between representatives of board companies and the Dominion government on the subject of war damage insurance. He said the board through its inspection and advisory work, had been of much assistance to the government in the war effort.

He said there have been many rate adjustments and changes since the special general meeting of the C.U.A. last February at which time the fur flew and Mr. Thom said the changes have been very favorably received by agents.

### Licensing Auto Dealers Big Topic

One of the main topics at the meeting is understood to have been the movement now under way to have automobile dealers in Ontario licensed as insurance agents. One company execu-

(CONTINUED ON PAGE 20)

## Study Request of ODT on Conventions

The expected word from the Office of Defense Transportation on the matter of conventions was given last week and the request of this government agency is being studied by every organization that holds any sort of a convention. The ODT makes this specific request: "Defer all meetings, conventions and tours of groups not closely related to the furtherance of war effort, since such mass movements interfere with regularly scheduled traffic and frequently require the use of extra equipment."

"In the case of meetings closely related to the war effort, attendance should be skeletonized along the lines of the splendid example set by the American Legion in its forthcoming convention."

Apparently one of the most important objectives of the ODT request is to prevent the use of extra rail equipment to handle convention goers. The railroads for the past several weeks have definitely discontinued soliciting business that requires the use of such extra equipment.

Insofar as insurance is concerned, the National Association of Life Underwriters may prove to have established a precedent that other organizations will follow. It canceled its plans for the usual type of convention at Minneapolis and instead is arranging for a business convention of a skeletonized nature in Chicago. There have been reports that the National Association of Insurance Agents may also select Chicago as the meeting place if accommodations can be secured in hotels outside of the loop. The N.A.I.A. had not definitely selected a place for its annual meeting. Denver had been given real consideration but to go there would probably involve convention features of a holiday nature.

### War Damage Cover Prospects

Savings banks will be large purchasers of war damage insurance, the Savings Banks Association of Connecticut was told at a meeting by Clinton L. Allen, assistant secretary Aetna Fire group. He conducted a question and answer period. Mr. Allen supervises the group's war damage insurance division and has made a careful study of the subject in Washington.

## Points Opportunity for Farm Agents to Aid in the War

**Dennis Smith Shows Necessity of Safeguarding Farm Property, Products**

At the annual meeting of the Illinois Farm Agents Association in Peoria, Dennis C. Smith of Chicago, executive special agent of the Home, gave a forthright talk. He said that starting in 1936 there has been a continuous upsurge in farm insurance and it has been of vast benefit. The Farm Insurance Association, he said, has been a constructive and friendly factor in the business and has worked along with the agents in an orderly way. He said that the form of farm coverage now available to Illinois farm owners with extended coverage, unearned premium insurance, tractor and combine theft endorsement included is built strictly on the pattern of the modern farm.

### Time Ripe for New Business

The speaker said that in view of increased farm income due to higher prices for all products the time is ripe for alert agents to secure desirable new business. They have the opportunity to recover good risks which may have drifted to mutuals in less prosperous years. Aggressive and consistent solicitation will now pay excellent dividends in the form of increased commission earnings and will build up a backlog of substantial agency business for the post war period, he added.

In any campaign for new business he urged the agents to follow the same good conservative underwriting that the depression years taught should be consistently followed if the industry is to avoid a repetition of the troublesome years of 1920 to 1929 inclusive. In prosperous years, he said, with the attendant increased values, increased building costs and a reduction of farm fire losses there is a tendency on the part of some agents

(CONTINUED ON PAGE 20)

## NEW OFFICERS OF CANADIAN UNDERWRITERS ASSOCIATION



ALEX HURRY

Alex Hurry, Canadian manager of Northern of London, Montreal, was elected president of the Canadian Underwriters Association at the annual meeting in Toronto. The vice-president



E. L. MARSHALL

for fire insurance is E. L. Marshall, Employers Liability, Montreal; for automobile, S. W. Band, U. S. F. & G., Toronto, and casualty, W. C. Butler, Pearl, Toronto. The vice-chairman for



S. W. BAND

fire is R. L. Stalling, Sun, Toronto; automobile, E. J. Kay, North British; casualty, A. C. Hall, Commercial Union, Montreal.

Members of the council are F. S.



W. C. BUTLER

Garrison, Travelers; B. W. Ballard, Hartford; William Lawrie, Phoenix of London; C. E. Sanders, Atlas, and J. B. Alexander, Canadian Surety of the American Surety group.

## Ponder Problem of War Risk Cover on Mortgagee Interest

### Getting Present Borrowers to Protect Lenders May Prove Difficult

NEW YORK—Life company investment and legal departments face something of a problem in what to do about insuring their interests as mortgagees against possible air raid damage. The so-called "free" insurance under which the government has undertaken to indemnify property owners against war damage expires July 1, when the federal War Damage Corporation insurance plan goes into effect. The WDC has a regular scale of premium charges.

Mortgagees are always required to carry fire insurance for the lender's protection but the question now arises whether borrowers can be legally required to protect the mortgagee's interest against war damage as well. Home office legal departments have the question under consideration and companies are expected to act promptly on the basis of the decision of their counsel.

### May Cooperate Voluntarily

Unless mortgage borrowers show a general disposition to buy war damage coverage for the lender's benefit the problem promises to be a somewhat knotty one for lending institutions. Even though a home office may be firmly convinced that it has a legal right to demand that its mortgagees carry war damage insurance the question has no precedent and would very likely have to be fought through the courts with the result that the war would probably be over before the issue had been decided.

If, on the other hand, they decided they could not force their borrowers to carry war damage coverage the companies could buy it themselves but this would be a heavy extra expense, even though the rates are quite low, particularly in view of the cost of insuring the properties they already own such as home office buildings and foreclosed commercial and residential buildings. The value of mortgages held by life companies is something in excess of \$4,500,000,000. This excludes farm mortgages, where the damage to buildings would have a relatively small effect on the value of the security.

### Would Cost \$4,500,000

Even at the low rate of 10 cents per \$100, which applies only to dwellings and apartments occupied by less than five families, the life companies would have to pay out \$4,500,000 in premiums to protect their interests as mortgagees. To the extent that mortgages are on other classes of buildings the total premium would be substantially greater. On apartments, hotels, offices, mercantile buildings, warehouses and other non-manufacturing buildings the rate is 15 cents or 20 cents, depending on the circumstances, while for manufacturing plants the rate is either 20 or 30 cents.

Of course, life companies might decide, in view of the apparent remoteness of aerial bombardment danger and the widespread distribution of the properties in which they have an interest as owner or mortgagee, to self-insure the war hazard. This might be a good bet mathematically but the companies realize that while they might save a lot of money they would be subject to

(CONTINUED ON PAGE 20)

## Important Farm Changes in Indiana

### Standard Term Rule Introduced—Plan for Payment of Premium Revised

Numerous and important revisions are contained in the new farm schedules that became effective in Indiana on Monday. The standardized term rule is introduced in Indiana for farm business, the three-year premium now being  $2\frac{1}{2}$  times the annual rate instead of two times and the five-year premium being four times the annual rate instead of three times. Throughout the manual the one-year rate has been reduced so as to bring the three and five-year rates into harmony with the term premium under the former rule.

The standardized term rule has already been introduced in Wisconsin and Kentucky and the intention is to introduce it in other states when the schedules are revised.

Formerly in Indiana there was one fire and lightning rate for all classes of farm property. Now a separate rate is quoted for dwellings and household goods, separate rate for farm buildings and out buildings and a third separate rate for personal property other than household goods. The third classification is considerably lower than the other two and is intended to induce farmers to insure such property to a much larger extent than they do now.

In northern Indiana, for instance, the rate for the first two classifications is 52 cents while for the new personal property classification it is 40 cents.

### Central Heating Plant Credit

Included in the schedule is a new credit of 4 cents for a one-year policy for a central heating plant in a dwelling with chimney built from the ground which replaces all heating stoves.

Credits have been revised for approved lightning rods with a differential introduced as between rods on dwellings and on barns and other out buildings. There is a higher credit allowed on barns and out buildings.

A special table of rates is included for brick or stone dwellings. For instance, in northern Indiana the rate is 40 cents for such dwellings with approved roof and 50 cents for such dwellings with unapproved roofs for fire and lightning which compares with 52 cents for other types of dwellings.

The windstorm rules and rates have been changed to provide for mandatory inclusion of hail cover. This rule has been applied in most of the western states and now Kansas and Ohio and the Mountain states are the only jurisdictions in the west where hail and wind are written separately. Also in the windstorm section there is a differential between dwellings and barns and personal property.

The rules for writing commercial turkeys that have been introduced in a number of the other middle western states are now made applicable in Indiana.

There is eliminated the special table of rates for private power farm elevators. This equipment now takes the rate applicable to other farm buildings and to that extent is equivalent to a rate reduction.

### Incubators and Brooders

There is a new table of charges for incubators and brooders based on the new term rule and the rule has been revised for incubators and brooders when both are in the same building so as to make the brooder charge the only charge to apply whereas in the past both the brooder and incubator charges were added.

The plan for payment of premium has been revised. On the cash plan for a three year policy, one-third of the pre-

(CONTINUED ON PAGE 20)

## McCormack Views War Damage Setup

NASHVILLE—The handling of war damage insurance is the "greatest co-operative effort between the government and private interests ever undertaken," Commissioner McCormack declared before the annual meeting of the Tennessee Association of Mutual Insurance Agents here. The government has shown unlimited confidence in insurance companies and their field forces by making them fiduciary agents in handling war damage protection, he pointed out.

"Handling of war damage insurance by private companies is a test of private initiative. The rate is low and fair and any property owner can afford to pay it. Although the rates are uniform for the nation, we should all be patriotic enough to buy this insurance and thus create a fund with which to meet a war damage loss anywhere it may occur. War damage in America is inevitable. We must not forget that military centers in America can be reached as easily and as quickly as our planes reached Tokyo. There are no seats on the sidelines in this struggle."

### May Have to Revise Laws

Commissioner McCormack stated that war damage insurance operations may be, and probably are, in conflict with existing laws of Tennessee (as well as most of the other states), but he declared that his department would "go along" with the War Damage Corporation and that changes in the state laws necessitated by developments will be made when the legislature meets in January. He commented that he was "glad the government has elected to use existing facilities of the private insurance companies rather than set up an expensive government bureau."

Len H. Jones, vice-president of Lumbermen's Mutual, declared that "in keeping the necessary separate accounts and records, the companies are going to lose their shirts in handling war damage insurance," but he insisted that in soliciting this emergency protection the agent has an unequalled opportunity to sell other and more profitable coverage to new contacts as well as to policyholders on his books.

Admitting that "a 25 to 30 percent reduction in premium income would probably throw the average agent into insolvency," Mr. Jones declared that, even in the face of the fact that automobile insurance, for example, is being lost faster than it can be put on the books, "agents can do something about it," by getting off Main street and seeking new risks.

Speaking on "Automobile Insurance Now and in the Future," J. H. Parsons, director of conservation State Farm Mutual, predicted that "we will be able to keep at least two-thirds of our cars running for the duration of the war," basing his prediction on the prospect of early synthetic rubber, gasoline rationing, limitation of speed, etc. He also predicted a "tremendous upswing in the automotive business" after the war.

Mr. E. J. Eberling, economist of Vanderbilt University, Nashville, declared that "social insurance is inevitable" and that "socialized medicine is coming for sure in spite of the opposition of the American Medical Association, which has not prevented insurance companies from going ahead writing group health and hospital insurance policies."

New officers elected are: President, A. N. Miller, Murfreesboro; vice-president, J. Wayne Barker, Nashville; secretary-treasurer, Fred Smith, Springfield.

### Features of Canada's Budget

TORONTO—Canada's new budget features an additional 2 percent tax on life, fire and casualty premiums.

Forced saving refundable after the war was also introduced in the budget. It will earn 2 percent but may be diverted to insurance premiums, annuities,

## Agree to Comply with Tex. Expense Stabilization Plan

### 97% of Companies Sign Pact—Hold Hearing on Rate Changes

AUSTIN—Compliance by companies writing 97 percent of the fire and casualty premiums in Texas with the new expense limitation formulas recently promulgated by the Texas Board of Insurance Commissioners, is indicated by filings and affidavits made Tuesday here. That was the final date for the companies to declare their intentions in the payment of commissions in Texas after June 30 on fire, windstorm, automobile and workmen's compensation.

It was indicated that the few deviations were minor in nature, and insurance leaders are optimistic as to the outlook for the new expense stabilization program.

The filings far overshadowed the omnibus hearing on the general basis schedule held during the day, and commissions were only casually mentioned at that affair.

The hearing, held soon after the publication of experience figures for last year and the last five year rate making period, featured requests for numerous specific amendments to the general basis schedule that would provide rate reductions, and the sentiment was general that another rate reduction will be ordered very soon. The experience report showed an over all fire loss ratio last year of 34 percent and for the five year period of 40 percent.

### Requests for Increases

However there were two strong requests for substantial increases in the windstorm rates, and these requests caused the most enthusiastic reaction from the audience. The combined loss ratio last year for windstorm was 81 percent, but for the seacoast territory was 166 percent. The requests came from T. R. Mansfield of Gulf and J. B. Roark of Texas General Agency Company.

Scott Hardy, vice president of the Texas Hotel Association, urged substantial reductions in the hotel classifications. R. C. Franks of Bryan, spokesman for the Texas Association of Insurance Agents, spoke in behalf of several amendments in the rules that would simplify agency operation, such as adoption of an optional fire form with other coverages, a simpler breach of conditions clause in reporting forms, and that in figuring the rate for contents in windstorm and extended coverage forms, the rate be 50 percent of the dwelling rate, and that contents of churches and schools be accorded the same rate as the building.

### Favors National Board Plan

R. B. Cousins of the fire prevention committee, suggested that because the board was considering dropping some and merging other classifications for fire insurance, it adopt the National Board classifications and bring Texas into harmony with all of the other states. Mr. Cousins also spoke in behalf of the proposal for a minimum fire premium and pointed out that the board had approved minimum premiums for other lines and that the federal government

(CONTINUED ON PAGE 32)

pensions or mortgage payments. The tax on insurance premiums is payable by the companies on 1941 premiums.



# "Thank You—SO MUCH!"

—Hitler

—Mussolini

—Hirohito

## PREVENTABLE FIRES AID THE ENEMY!

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## Renewal Slip Committee in N. Y. Prepares to Act

NEW YORK—The committee of five named by Superintendent Pink last week to cooperate with Deputy Superintendent Edward McLoughlin and Chief Rater J. F. Collins in drafting an acceptable form of fire renewal certificate, has been unable to meet as yet, but intends to go into session very shortly. In preparing the certificate the committee clearly has in mind that the revised standard fire policy becomes effective in this state, July 1, 1943, and a form of certificate must be prepared that will conform thereto. Whether this can be done legally is a question that has been referred to the department counsel. Assuming that it will be permissible, the point is raised that as the new policy differs in a number of important respects from the present standard form, assured must be made aware of the changes if they are to accept renewal certificates, and the changes would likely have to be attached to the latter through endorsements.

An amusing sidelight is that members of the certificate drafting committee, following publication of their names in the press, were bombarded with assurances from paper manufacturers, declaring there is no shortage of paper in the country and that statements to the contrary are wholly unwarranted by the facts.

### Diversity of Opinions

At the hearing last week interesting and conflicting opinions were expressed. R. P. Barbour, U. S. manager of Northern of London, and president of the National Board, cautioned against hasty action and urged thorough consideration of all factors, but most of the other speakers approved the general idea with considerable enthusiasm. W. J. Ward, general manager of the New York Fire Insurance Rating Organization, did enter objection saying that it is not within the province of the insurance department to prescribe forms but that is a matter for the stamping office. He also made other technical objections to the handling of certificates by the rating organization.

W. J. Reynolds of Corroon & Reynolds is very much in favor of renewal certificates and said he favored the "model" form which he had devised rather than the "ideal" and "renewal" forms representing the ideas of others. He objected to the "ideal" form because it called for certain information that is not a part of the insurance contract and to the "renewal" form because it prescribes the form of the daily report. The "model" form follows the conditions of the policy, he declared.

### Corroon & Reynolds Tests

The Corroon & Reynolds group made tests showing definite savings in time, labor and costs with the use of the certificate form, he declared. The conservation of time is especially important because of the shortage of skilled clerks and also in order to reduce the time of operation of office machinery.

Mr. Barbour said it is not certain that the use of renewal certificates would save paper and they would add to the bulk in live files. Under present practices it is possible to consign daily reports to dead files after a reasonable time and these files occupy less expensive space.

### Three Times as Speedy

Mr. Reynolds then went on to say that tests by his group showed that three certificates could be written in the time it takes to write one policy and he estimated that 60 percent of filing space could be saved as well as saving in printing and paper costs.

A. J. Smith, president of the Association of Local Agents of the City of New York, and A. C. Wallace, president

## Missouri Ruling on Financial Pressure

### Department Forbids Local Agents to Compel Cancellation of Policies

JEFFERSON CITY, MO.—Complaint has reached the Missouri department that loan companies which have insurance agencies, or a connection with insurance agencies are, in some instances, compelling the borrower to cancel the insurance he has in force and take out new policies with the agency representing or favored by the lender, or are exerting undue pressure in the placing of insurance coverage in this respect. Reasonable freedom of selection should be allowed. The department issues this ruling:

"Hereafter no loan company, building and loan association, bank, trust company, association or individual shall require as a condition precedent to obtaining a loan that the borrower shall cancel insurance he has been carrying and take out new insurance with the lender or an agency with which the lender is connected. This department has no authority over loan companies, building and loan associations, trust companies or banks as such. However, it has over insurance companies, agencies, agents and brokers.

### Violation of the Law

"It is clearly a violation of the laws and regulations of this state for an agent or broker, either directly or indirectly, to offer a loan as an inducement to the taking of insurance. In this connection, the acts of the loan company, building and loan association, bank, trust company or association shall be deemed to be the act of the agency with which they are associated, directly or indirectly.

"No loan company or lending agency of any kind, as such, is empowered to accept, induce, solicit or handle applications or directions for insurance unless properly authorized and licensed so to do by the superintendent of insurance. Furthermore, any duly licensed, authorized agent or broker must fully advise applicant or contracting party of all basic facts connected with the application of insurance. The practice of handling incomplete applications or forms filled in by several different individuals is condemned and declared to be a violation of this order and the regulations of this department."

of the New York State Association of Local Agents, endorsed what Mr. Reynolds had said.

Ludwig Lewis, vice-president of the North America, declared that 70 percent of the policies could be renewed by certificates. He said that those companies that desired to use certificates should be allowed to do so.

Ivan Escott, vice-president of Home, who has been head of a special committee of the Insurance Executives Association, working on the proposed forms, said he favors use of certificates because there is a need for them. He declared, however, that their use should be confined to certain classes such as apartments, schools and dwellings.

L. C. Storey, well known adjuster at Columbus, O., who last August suffered a severe automobile accident, is now getting about attending to business. He has been laid up since his accident, a long time at the hospital and then at home. The accident happened in the vicinity of his home at Worthington, O. Mr. Storey was formerly connected with the Hartford Fire in the field and at one time was second assistant western manager of the Westchester.

## General's Policy:

### "TAKE THE INITIATIVE!"

One big reason agents like to work with the General of America is that the management of this company has a record of *never pussyfooting* when there's a big, tough issue to meet. (Plenty of proof to back this!)

They note with approval that the company is always on the alert to take prompt, aggressive action whenever agents' interests appear to be threatened.

In times like these, nearly 5,000 progressive agents representing General face the future with greater confidence because they represent a company that has made a habit of *taking the initiative*.

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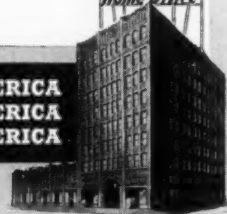


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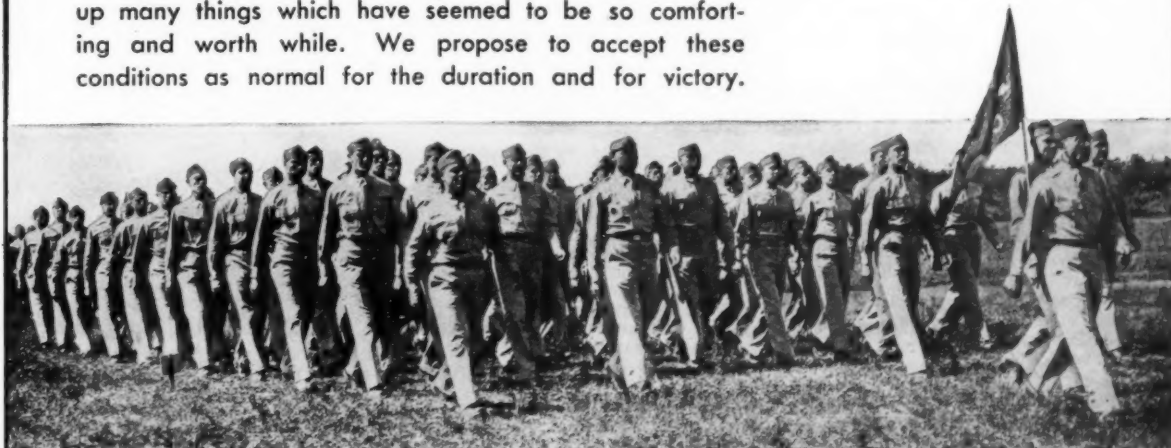
FIRE & CASUALTY LINES.....FIDELITY & SURETY BONDS



**WE ARE AT WAR!** Loyal Americans on the Insurance front have turned their backs on the fat times, easy sales and quick profits of the days before Pearl Harbor. With sleeves rolled up they are drafting plans to put every available resource to work in an all-out drive for victory, without forgetting that theirs is the duty to provide adequate insurance protection for industry, property, homes and lives in time of war. Sacrifices will have to be made, and willingly. Tightened belts are a sound index of better fighting trim.

In keeping with this trend, new plans will have to be made and then again be scrapped and remade. Business practices, which we have looked upon as our rights, will give way to new methods that will cut through established routine in the best interests of the nation's welfare.

Only the faint-hearted will look back longingly on the good old days, and then bury their heads in the sands of lethargic do-nothingness. Normal conditions for waging all-out war call for sacrifice and the courage to give up many things which have seemed to be so comforting and worth while. We propose to accept these conditions as normal for the duration and for victory.



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Southwestern Dept.  
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Dallas, Texas

Pacific Department  
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HOME OFFICE  
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## Insurance Library Leaders Meet

### Importance of Work in Day of Changes and Action Stressed

In these days of lightning changes and immediate action, the insurance librarians who attended the annual conference of the Special Libraries Association at Detroit reviewed their functions and services with careful scrutiny. The library is an efficiency factor that should not be overlooked in any organization where there is need to develop or use any kind of information. Changing sources require someone whose responsibility is to know and keep abreast of them; develop, organize and get the material used.

The librarian adds an element not to be found in a file department or a morgue. She gives a collection the vital touch by bringing it in contact with the person needing it. She anticipates demands, and has files on topics of interest to every department involved in the company or agency. She knows sources, and takes particular pride in being able to produce, at a moment's notice files built up over a long period, on some topic she had foreseen by her judgment. She is ever on the alert for ways and methods of increasing her service to those who could benefit and already know it, or those who should and don't know it yet.

As company or agency information centers, their responsibilities include all departments: Sales, legal, claim, personnel, underwriting, investment, advertising, among others. The aspect stressed is the ability of the library to serve as expert in information, an aspect which the busy executive in times like these cannot do himself; nor can his secretary, whose training usually does not give her the ability to do so. The librarian considers it a proper function and responsibility to know, develop, make available, and maintain sources of information that is or might be helpful to her company.

The insurance group, Mariana Thurber, presiding, heard talks and participated in discussions on "War Files," with Pat Kleiman, librarian, Cooperative Library of Ohio Farm Bureau of Columbus, as leader; "Booklists," with P. M. Schmidt, Hardware Mutual Casualty, Stevens Point, Wis., leader; "Educational Work in the Insurance Field," with Maryalice Thoms, librarian of Phoenix Mutual Life, leader; and Evelyn Waterloo, librarian Lumbermen's Mutual Casualty, Chicago, on "Legal Reference Work in an Insurance Library." All these talks were rather detailed and of interest to the group. Copies will be available through the Special Libraries Association shortly.

Mariana Thurber was reelected chairman; Maryalice Thoms, vice-chairman; Pat Kleiman, secretary.

### Commissioner Erickson of N. D. Accused in Suits

BISMARCK, N. D.—Commissioner Erickson of North Dakota is defendant in two suits filed in state court here by A. J. Klaudt, special examining commissioner for Governor Moses. The state is the plaintiff. Erickson is accused of numerous violations of state laws and it is alleged he "converted money for use of himself or his agents," in amounts exceeding \$100,000.

It is charged in the second suit that he and a fire insurance company converted to their own use \$30,000 paid out as premiums on an insurance policy. Another charge is that the commissioner violated the "jackpot" law by collecting examination fees from insurance companies and failing to turn them over to the state treasurer.

## Field Men's Interest in War Damage Coverage Is Seen

LAKE DELAVAN, WIS.—An extremely lively interest was evidenced by field men in the federal war damage coverage at the Illinois Fire Underwriters Association meeting, both in and out of the convention sessions. Inquiries have been pouring in on them in the past few weeks from agents and field men. The discussion on the floor was long and spirited. President H. E. Johnson, Aetna Fire introduced the subject, and then W. G. Shipe, western general agent New Hampshire, Chicago, was pressed into service to answer questions. Although denying that he was an authority on the subject, Mr. Shipe did an excellent job and was given a big hand when the discussion was finally closed.

### Questions That Were Asked

Among the questions asked Mr. Shipe were ones on mortgagee's interest; writing of one large line through more than one agent; the "gaps" in coverage between the War Damage Corporation program and coverage of companies; other insurance, etc.

The suggestion was made by one field man that the companies will not profit from the business. They will not be guided by the underwriting principles applicable to ordinary business. In the interests of all concerned the coverage should be distributed as widely as possible among companies. For economy of operation and distribution, one agent should handle one line, no matter how large, he suggested. It probably will not be a good thing for the field man to try to get the agent to favor one or two companies, but let him distribute it among all companies in the agency pretty evenly.

### General Agents Discard Plans to Be Fiduciaries

DENVER—The general agents who belong to the American Association of Insurance General Agents met in the office of Secretary Herbert Cobb Stebbins here and decided that they do not desire to be named fiduciary agents in the War Damage Corporation setup. The insurance companies have been notified by wire of the position taken. The general agents felt that they could not afford to handle the details for the 3½ percent expense allowance.

### War Forms in Demand in Boston

BOSTON—The New England Insurance Exchange received Monday an allotment of general application blanks for the writing of the War Damage Corporation coverage. The quantity delivered, however, is totally inadequate and will furnish only about two order blanks apiece for the many thousands of the agents in the territory.

None of the other types of applications were furnished and the Exchange was informed it could provide its own blanks, if it cared to have copies of the official form printed. Up to late Monday night, however, the Exchange had not been able to locate an original official copy of the blank and furthermore, on inquiry at various printing plants, learned that not enough suitable paper was available in the metropolitan area to handle the job.

Manufacturing plants generally are indicating their intention of availing themselves of the 90 percent coinsurance clause, thus securing a reduction of 35 percent of the premium charge. Already, more than half of the mill mutual risks have authorized their directors to avail themselves of the war risk coverage.

There is much discussion of the effective date of the policies because of the wording of the government forms which state "the insurance shall become effective at noon on the day this application

is received by the fiduciary agent." The general query is "What will be the action of the companies if a policy is received late in the afternoon and a war raid and resulting damage occurs between noon and the hour of receipt of the policy?"

New Hampshire, which has a valued policy law, has been officially informed that its statutory provision in this respect will not apply to the government insurance.

### War Cover Parley in Los Angeles

LOS ANGELES—The Insurance Exchange of Los Angeles Tuesday evening at a membership meeting attended by 500 went into detailed discussion of War Damage Corporation insurance, and had questions on all phases answered by Willson Pierce, Jr., its president, Harry Perk, Jr., national councillor, Wm. H. Menn, past president National association and Eugene Battles. At close of the session, the Exchange furnished members with Form 2, printed here under authority from the war damage corporation, because of inadequacy of supply by Standard Forms Bureau.

### Two Agents Groups in Outing

BATTLE CREEK, MICH.—The Battle Creek and Kalamazoo Association of Insurance Agents held their annual joint outing, with golf and a dinner program. W. O. Hildebrand, secretary-

## Charles E. Harbin With Grain Pool

Charles E. Harbin, who has been connected with the Fire Underwriters Inspection Bureau at Minneapolis for a number of years, will join the forces of the Underwriters Grain Association on July 1 with headquarters in Chicago.

Although Mr. Harbin has had a well rounded experience in inspection and rating work he has devoted much of his time for several years to the work of the mill and elevator department and this experience will be invaluable to him in handling his work with the Grain Association.

In the present emergency it is highly important that the terminal elevators receive the closest possible attention and for an indefinite period Mr. Harbin will devote a considerable portion of his time to the problems of the inspection department.

manager, and Carl Trager, treasurer Michigan association, both of Lansing, spoke at the dinner. Mr. Hildebrand discussed matters taken up at the recent state association executive committee meeting in Lansing, and also war damage insurance, the situation in the automobile business, and anticipated legislation.



OUR NAVY IS DOING ITS PART—convoying the vital cargoes of planes, tanks, guns, ammunition and food which are going to win this war . . . win it on the enemy's own soil! Day and night, our battlecraft are seeking the chance to drop their "ashcans" on deadly U-Boats—as the submarine combat vessel shown above is doing so successfully with its depth bombs.

YOU CAN DO YOUR PART—by seeing that the flow of war goods in your community is protected—by watching the changing requirements of your Assured, recommending the coverages best adapted to your clients' present and future insurance needs. Your wartime watchfulness is essential.

WE ARE DOING OUR PART—as one of America's leading insurers of ships and cargoes. We also prepare Inland Marine Floaters for war industry, as well as for commercial and personal requirements. Our nearest office will be glad to render complete specialized service.

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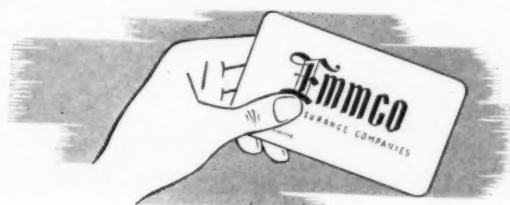
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chosen so that they will carry out a firm policy of putting friendly interest in the company's agents foremost in all our dealings.

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## MEET MR. U. S. JONES

You may have him on your books now, or perhaps he's a prospect of long standing. In either case, you'll find he's not quite the same Mr. Jones he was in 1941 . . . You'll find him not only a year older, but a year wiser. Wartime living has taught him the importance of protecting what he owns. He's more ready to discuss his needs, and you'll find him highly interested in your suggestions on the important subject of loss prevention.

- Chances are he's better fixed financially; better able to afford the protection he needs. It's very likely he requires more insurance, because of changing conditions and increased values which affect his home as well as his business
- It's important to wartime economy that insurance protection be kept in step with swiftly changing needs and emergency conditions. Be sure to see Mr. U. S. Jones again soon.

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## INSURANCE MEN CALLED TO SERVICE

### Commercial Standard President Joins Air Corps

Commercial Standard announces that leave of absence has been granted to President J. R. Plummer so that he may serve in the army air force. Mr. Plummer reported to officers' training school



J. R. PLUMMER

this week. During Mr. Plummer's leave-of-absence, W. B. Todd, executive vice-president, will perform his duties. K. F. Vasen, vice-president and secretary and treasurer, will continue his direction of fiscal and personnel affairs.

**Earl K. Loux**, casualty manager of Travelers in St. Paul, is leaving for the service. Mr. Loux has been appointed a first lieutenant in the Army Air Corps, and has left for Miami Beach for officers' training.

Mr. Loux began his career with Travelers in 1929, serving in St. Paul as field assistant until 1937, when he was transferred to Dayton as assistant manager. He returned to St. Paul as manager of casualty lines in 1939.

**W. R. Wright**, an examiner in the western department of Corroon & Reynolds at New York City headquarters, has been called to army service, and assigned to the ground air corps at Camp Croft, S. C.

**William L. Miller**, who has been in the underwriting department of the western office of Great American in Chicago for about two years, has been inducted into the army and is now in training at Fort Knox, Ky. He is a grandson of W. L. Lerch, manager of the Underwriters Grain Association of Chicago.

**H. J. Schoeppe** of Wichita, southern Kansas state agent of Commercial Union, has reported to Fort Leavenworth for military duty. Lloyd Gaines, state agent at Topeka, will supervise the entire state during Mr. Schoeppe's absence. However, the Wichita office will be maintained under direction of Miss Virginia Whitlow. R. J. Noble, National Union state agent, and Mrs. Noble entertained a group of friends at a farewell party for the Schoepes.

**Capt. R. E. Israel, Jr.**, formerly associated with his father in the R. E. Israel & Son agency, Wichita, Kan., who is stationed at Dutch Harbor, informed his wife following the Japanese bombing that he was well.

**C. M. Burnan**, staff adjuster with Sheffer-Cunningham, Wichita adjusters, who has left for the army, is the eighth man from that firm to join the war effort. **Orville Sheffer**, head of the firm, is taking a refresher course preparatory to becoming a pilot.

**R. T. Wellman**, formerly with the Wichita office of the Kansas Inspection Bureau, has completed the radio training

course at Camp Wolters, Tex., and has been transferred to a point on the east coast for further training.

**Joe B. Fears**, state agent of National Union for Oklahoma, has entered the service. He is attached as a second lieutenant to the fifth district headquarters, appointment and procurement division, army air force, Knoxville.

During Mr. Fears' absence, affairs of the National Union in Oklahoma will be handled by Special Agent Ray C. Snodgrass.

**Edwin R. Spencer**, a junior member of Spencer & Merki, Insurance Exchange, Chicago, enlisted in the army air force the latter part of May and reported to Camp Grant, where he was promptly sent to Jefferson Barracks, Mo. He is there now getting his military training and will shortly leave for Camp Lowry near Denver, where he will undergo a 12 weeks' training course as an armorer.

Before joining the firm, Mr. Spencer, who is the oldest son of E. J. Spencer, was associated with A. S. Schwartz & Co. and prior to that in the automobile department of the Hanover Fire. He is a graduate of the Insurance Institute

fire and marine courses and graduated cum laude. At the time of his departure he had just taken the examinations on the casualty course.

**J. F. Gibson**, stationed at Roswell, N. M., and **J. B. Thompson**, at the air field near Brownwood, Tex., former assistants to Commissioner Read of Oklahoma, both of whom have been serving as first lieutenants in the air corps, have been promoted to captains.

Secretary A. E. Eifler of the Florida Association of Insurance Agents reports these Florida agents have entered the service: V. E. Pope, St. Augustine, W. E. Beckham, Jr., Miami; L. W. Crow, Jr., Miami; L. G. Abbott, Clearwater; W. C. Charlton, Tampa, and Dick James, Jacksonville.

**W. C. Price**, superintendent of the city department in the San Francisco office of Great American Indemnity, has received a commission in the navy and is now at an east coast training center.

**Theodore Hussey** of the Hussey agency, Topeka, general agent Equitable Life of Iowa, has been commissioned a captain in the air corps and is stationed at Santa Ana, Cal. **Willard Bell**, solicitor, and **T. E. Slaven** of the life department of the Hussey agency, are also in the armed forces. Mr. Bell

is in the army. He has been stationed at Leavenworth, Kan., and will soon enter an officers training camp. Mr. Slaven joined the navy and is in a petty officers training school at Corpus Christi, Tex.

Adjuster **W. A. Hecht** of the Cook County office of the Home of New York received instructions to report for induction into military service June 22.

**William A. Comrie** of Charles W. Sexton Company, Portland, Ore., has been commissioned a second lieutenant in the army air corps and left to report for duty at Keesler Field, Biloxi, Miss. He was with the Fire Companies Adjustment Bureau in Portland and special agent of American of Newark before joining the Sexton Company.

**Read Gibson**, San Francisco manager of New Amsterdam Casualty, has been commissioned a lieutenant in the marines and is now in service.

**H. W. Holmes** of Los Angeles, field representative of American Automobile and former manager of the Insurance Exchange of Los Angeles, has been inducted into the army and will report July 3 for preliminary training in the air corps.

**Wm. F. Koch**, who has been the liability supervisor at Milwaukee of American Automobile has received a commis-

**WE** hope this poster will remind the insurance fraternity that it is in this fight too. They too must enlist in the silence campaign.

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purposes. The Employers' Group imprint appears on the back of the poster. For copies write A. R. P. Department, The Employers' Group, 110 Milk Street, Boston. Please order by form number which is S428.



sion as first lieutenant, aviation information corps and left for Miami Beach Wednesday. He is the former treasurer of the Milwaukee Board and also of the state organization.

**Thomas E. Sears, Jr.**, vice-president of Thomas E. Sears, Inc., Boston, reported Tuesday of this week to the Chemical Warfare Service at Edgewood Arsenal, Edgewood, Md. Mr. Sears has been commissioned a first lieutenant. He studied chemical engineering at Massachusetts Institute of Technology. After leaving school in 1932 he joined the Sears agency and for several years has had special charge of brokerage and agency production.

**Charles S. Housman**, Denver, special agent of the American group, is now in the army.

**Lieut. Carl F. Bracken** of the 33rd division in training at Camp Forrest, Tenn., is in Chicago on furlough and announced the birth of a baby girl at his home, Bonnie Kainer Bracken. He formerly was Indiana special agent of Ocean Accident and is a son of Fred C. Bracken, prominent Chicago broker.

The two sons of S. B. Komaiko, head of a Chicago agency, have won their spurs as officers. **William K. Komaiko**, after long training in Canada, recently was commissioned a pilot officer and has just arrived in Great Britain for active duty in the R. C. A. F. **Charles J. Komaiko**, a corporal of marines in San Diego, who has been in officers training, is to be commissioned a second lieutenant of the marines early in July.

Several **Michigan insurance department** men have entered the service. **Wayne Garnett**, department actuary, resigned to take a responsible accountancy position with the air corps at Dayton Field. **James Main**, assistant actuary, has been inducted into the army at Fort Custer, and **Don Fritz**, an examiner, has been appointed an ensign in the naval reserve and has gone to a training school at Noroton Heights, Conn.

**John B. Owen**, formerly of the home office of Central Mutual Casualty, Kansas City, on completion of officers' training at the armored force school at Fort Knox, Ky., was commissioned second lieutenant and assigned to Camp Polk, La. **Lawrence Ely**, attorney for Central Mutual Casualty, and former All-American center at Nebraska, has reported at the naval aviation training school, Annapolis.

## NEW YORK

### INSURANCE DEPARTMENT OUTING

Employees of the New York City office of the insurance department held their annual picnic at Bear Mountain on the Hudson Tuesday, making the journey by chartered steamer. About 200 employees of the local office, as well as several from Albany attended.

### LIST BIG FIRES OF MAY

The New York "Journal of Commerce" in its list of fires that occurred in May includes these that caused estimated damage of \$100,000 or more:

Walpole, Mass., match plant, \$500,000; Newark, lumber shop, \$100,000; Farmingdale, N. Y., food warehouse, \$150,000; Moundsville, W. Va., smelting company, \$150,000; Chicago railroad warehouse, \$250,000; Wheaton, Ill., Woolworth store, \$300,000; Decorah, Ia., college building, \$100,000; Mount Ida, Ark., lumber mill, \$100,000; Arcadia Fla., produce warehouse, \$125,000; Columbus, Ga., church, \$250,000; Wichita Falls, Tex., hotel, \$100,000; Oakland, Cal., soap plant, \$300,000; Hawthorne, Nev., bar and restaurant, \$150,000; Tacoma, lumber mill, \$100,000.

### BROKERS GROUP REELECTS

The Insurance Brokers Association of New York, Inc., at its annual meeting reelected all officers for another year. President is C. O. Pate of Pate & Robb; first vice-president, M. B. Dutcher, Frank & DuBois; second vice-president, J. F. Brennan, Rollins, Bur-

## NEWS OF FIELD MEN

### Paschal, Dorris and Turner Elected at Tennessee Meet

NASHVILLE—Confining a one-day session almost altogether to necessary business sessions and elections, the Tennessee Fire Underwriters Association, Tennessee Fire Prevention Association and the Tennessee Blue Goose held their joint annual meeting here. Officers were elected as follows:

Fire Underwriters: President, Hilliard Paschal, Royal-Liverpool; vice-president, W. P. Rankin, Scottish Union; secretary, George Harbison, America Fore; executive committee, Paul Eldridge, R. M. Simmons, Felix Ray, R. W. Davis and W. T. Huff.

Fire Prevention Association: President, J. L. Dorris, Great American; vice-president, W. P. Deese, Fire Association; secretary-treasurer, George Harbison.

Blue Goose: Most Loyal Gander, Ed Turner, Massachusetts F. & M.; supervisor, H. R. Trickey, St. Paul F. & M.; custodian, J. K. Rectenwall, America Fore; guardian, Felix C. Ray, Aetna Fire; keeper, W. P. Deese, Fire Association, and welder, George Egbert, North British & Mercantile.

Vernon Sharpe Jr., president Tennessee Association of Insurance Agents, discussed problems involving local agencies, and Commissioner McCormack reviewed various government bulletins on fire prevention.

Discussion centered on certain changes in policies covering cotton products and efforts to secure a \$50 deductible clause

dick, Hunter Co.; treasurer, S. Stanley Gray, McLean & McLean; secretary, G. W. Will, Stewart, Hencken & Will.

### NORTH BRITISH OUTING

Employees of North British & Mercantile, numbering over 430, held their annual outing at Indian Point on the Hudson.

### WORK ON "HIGH PRESSURE"

Walter Kidde & Co., 122 East 42nd street, New York City, is putting out a house organ, "High Pressure." It gives a review of recent developments in fire protection and in the handling of compressed gases.

on all coverage on cotton products at the gin and another change fixing minimum premiums on the same cover at five months. Business involved is heaviest in west Tennessee where the influx of cotton to gins is confined to a short period. Ninety attended the annual Blue Goose banquet.

### Petterson Named New Head of Ill. Fire Preventionists

The Illinois Fire Prevention Association plans to be much more active the coming year. War has created a greater need and a larger opportunity for its work. Lester Petterson, Sun, who is the new president, takes the place of H. W. Yount, Eagle Star, who is in service. A. J. Meyer, Automobile, who has done a fine job as secretary for several years, declined renomination.

The first vice-president is R. Y. Dievendorf, Northern Assurance; second vice-president, H. J. Conklin, Firemen's; secretary, A. R. Rathslag, Fire Association.

### Sather and McHale Head Minnesota Field Groups

BRAINERD, MINN. — Frank S. Sather, St. Paul Fire & Marine, was elected president of the Minnesota Underwriters Association at the annual meeting at Pine Beach hotel. Other officers are: Carl H. Johnson, Westchester and North River, vice-president; Roy B. Nienhauser, R. M. Neely Co., St. Paul, secretary-treasurer; new members executive committee, Paul B. Olinger, Connecticut Fire; Hale Baldwin, New York Underwriters, and C. R. Garrett, Springfield.

The Minnesota Fire Prevention Association elected John G. McHale, New York Underwriters, president; Philip A. Baumann of the Glens Falls, J. H. Klinkenborg, Phoenix of Hartford, and G. S. Tompkins, Scottish Union, vice-presidents, and Elwood Harper, Northern Assurance, secretary-treasurer.

About 100 field men and guests attended the two-day outing. Milton W. Mays, director, and Fred W. Westervelt, Jr., assistant director Business Development Office, explained its activities. At the Blue Goose banquet Commissioner Johnson of Minnesota spoke on fire prevention work in war time and described the steps taken by the department to safeguard the vital Duluth har-



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bor. Other speakers at the banquet were Louis L. Law, London Assurance, grand custodian of the Blue Goose, and John E. Jackson, Home, deputy most loyal grand gander for this region.

The field men competed in a dozen land and water contests, prizes being awarded in defense stamps.

The general committee on arrangements was made up of Walter N. Hansen, secretary Minneapolis Fire & Marine; Virgil Roby, Travelers Fire, and M. B. Ryon, Fire Underwriters Inspection Bureau, most loyal gander of the Minnesota Blue Goose.

William U. Knight, retired state agent of the State of Pennsylvania, was a guest.

### Cleveland Field Club and Blue Goose Puddle Elect

CLEVELAND—At the annual meeting of the Cleveland Field Club, N. W. Gilsdorf, Marine Office of America, was named president. E. O. Pierce, St. Paul Fire & Marine, is vice-president; Carl Case, Pearl, treasurer; and W. C. Starkweather, Caledonian, secretary.

The Western Reserve Blue Goose puddle also held its annual meeting. George W. Wheaton, Fireman's Fund, was named as big toad; John L. Makenheimer, North British, pollywog; George Wilkinson, National, croaker; and John W. Weddell, Western Factory, bouncer. George Keck, Royal, was named chairman of the golf tournament committee.

### San Francisco Election June 29

The annual ceremonial and business meeting of the San Francisco Blue Goose will be held June 29. This week the pond heard an interesting talk on Siberia and Japan by Harold Kay, a San Francisco agent of New York Life, formerly in the far east.

### Swisher's Territory Extended

The Iowa and Nebraska business of Corroon & Reynolds will be supervised by J. C. Swisher, Missouri and Arkansas state agent, for the time being, in addition to his present territory. J. A. Mosher, who had been Iowa and Nebraska state agent, recently entered the armed service, and is now stationed at Jefferson Barracks, St. Louis.

### Call Off W. Va. Meeting

The semi-annual meeting of the West Virginia Fire Underwriters Association has been called off because of war conditions. Secretary A. S. Whiteley states, however, that this is not to be construed as establishing a precedent for guidance in the future.

### Ontario Blue Goose Elects

TORONTO—At the annual meeting of the Ontario Blue Goose, these officers were elected: Most loyal gander, A. W. Hunter, Liverpool & London & Globe; supervisor, F. Liversidge, Glens Falls; welder, H. C. Baillie, Eagle Star; cus-

todian, R. J. Blanchett, Niddrie Ltd.; guardian, W. H. Meikle, Merchants Fire; keeper, A. J. Beattie, Canadian General.

Progress was reported on plans for the grand nest convention, which will be held in Toronto in August.

### Mathews to Fla. for Hartford

Herbert C. Mathews has been transferred from the southern department of Hartford Fire in Atlanta to Florida as assistant to Robert H. Williams, Jr., state agent. He succeeds A. S. Wright, Jr., now lieutenant of engineers in the army.

### Name Ia. Executive Committee

DES MOINES—A. E. Holt, Aetna Fire, president Iowa Fire Underwriters Association, has appointed the new executive committee: W. K. Hankinson, National, chairman; T. R. McDonald, Hartford; J. W. Lenehan, America Fore; M. P. Priffin, Phoenix of Conn., and L. A. White, Royal-Liverpool.

Mr. Holt said the work of the association will center around the 100-hour educational program sponsored by the Iowa Association of Insurance Agents. Vice-president L. K. Taylor will serve as chairman of the educational committee which consists of the officers and executive committee.

### National Board Steering Group to Organize

NEW YORK—The executive committee of the National Board meets Thursday to organize for the new year. Frank A. Christensen, executive vice-president of America Fore, who served as chairman last year, will be renamed unless he decides that his present multitudinous duties would preclude his continuing in the post.

### Question on Nourse's Successor

At the annual meeting of the National Board, E. W. Nourse, then U. S. manager of London Assurance, was elected as a new executive committee member. As his retirement from the service of London Assurance, effective June 30, has been announced, it will be necessary to replace him on the committee. A similar happening occurred last year when Hart Darlington's retirement as U. S. manager of Norwich Union was made public within a short time after his election to membership on the executive committee, W. M. Frink, his successor with Norwich Union, being named to fill his place upon the committee. If the precedent thus established is followed C. D. Sheffe, who will become manager of

London Assurance, will succeed his former chief, Mr. Nourse, on the National Board committee.

### Roy Nicholson Speaks Before Racine Council

Roy L. Nicholson, state agent of Michigan Fire & Marine in Wisconsin, spoke for two nights in Racine under the auspices of the local Council of Civilian Defense on "Stop the Home Fires Burning." He stressed the importance during war times of safeguarding from damage or destruction by fire the things so necessary to carry on to victory, many of which today cannot be replaced. These local fire warden sessions are being conducted in the auditoriums of high school buildings and are bringing out packed houses of earnest men and women all anxious to do something constructive for their city and country.

### Dividend Action Taken

NEW YORK—Continental and Fidelity-Phenix have each declared a semi-annual dividend of 80 cents per share, plus an extra of 20 cents, payable July 10 to stock of record June 30. The same distribution was made a year ago.

**American Equitable Assurance Company of New York**  
Organized 1918

**Globe & Republic Insurance Company of America**  
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**Knickerbocker Insurance Company of New York**  
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**New York Fire Insurance Company**  
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## EDITORIAL COMMENT

### Critics Who Merely Condemn

As forthright and appropriate address as we have chronicled for some time came from Louis P. Jervy of Atlanta, secretary of the America Fore in charge of the southern department, who, as president of the Southeastern Underwriters Association pulled out a piece of artillery and let loose at some of the carping critics of insurance that had been raising their voices in recent times, finding fault in a general way with all branches of the business, claiming that public relations work was decidedly weak, the advertising was crude, that the industry had not risen to its opportunities, that the insurance commissioners are ninnies, that insurance had sacrificed the good will of the public in many ways, that it did the things it should not have done and did not do the things that it should have done.

We have had an epidemic of these self appointed critics who have condemned up and down the line the insurance business in their publications and have also used the platform to expound their views and let loose some hot shots.

In a great business like insurance there is a variety of opinion. It is impossible to go as far as the most liberal minds would advocate in reforms and there must be a compromise here and there for the best good of all concerned. As a matter of fact, the insurance industry has given a very good account of itself during the war time. Whether the critics have brought on investigation as was manifest in the T. N. E. C. probe of life insurance and the threatened investigation of fire and casualty insurance by the federal attorney general's office cannot be really substantiated and yet it is likely that these criticisms that have come pretty much within the business itself had something to do with the probes.

Attacks on the insurance business

### Preparing for the Evil Day

ASSISTANT MANAGER B. A. JOCHEN of the western department of the American, in his talk before the Minneapolis Underwriters Association gave a hint to agents at this particular time that is especially valuable. We all know that after this war period, when defense industries cease or are greatly reduced and when the whole business and economic structure has to be readjusted there will be a depression and very likely a terrific one.

We can all take a lesson from the depression following world war No. 1.

have become popular and have developed into a sort of a fad. There has been some self complacency here and there and there is need for jogging up at times. However, to make a broadside assault on the business as a whole is uncalled for. The insurance business in its various classes has able leaders and they have demonstrated their capacity for leadership. The companies, the field men, the local agents and all associated with the business have done their level best during these trying times to hold the banner aloft.

Insurance has been called upon at times to do the impossible. The government expects the business to pay most liberally in taxes and it makes no complaint about it. Insurance is a patriotic business. It is a protecting line of activity.

So far as we have been able to observe, the insurance people desire to have constructive criticism, suggestions and recommendations where experienced people are making them. There have been premium payers, and those in charge of the insurance of large concerns or owners of large life insurance lines that have appeared before insurance organizations and have been very kindly and yet in a candid way have given some excellent counsel to the insurance industry. That is the kind of criticism that is worth while.

Until the critics are able to do a better job than the insurance people are doing for themselves we agree with Mr. Jervy that nothing is accomplished. It brings about suspicion, it creates more or less disloyalty. It pits group against group. Let us try to assume a positive attitude. Let us not be satisfied with what has been done but gird ourselves for greater effort. The highest achievement will come when all are working together.

Many agents found themselves unprepared for what happened. Cancellations came in thick and fast. Agents found themselves unable to collect many accounts that heretofore had been relied upon. They had not set their houses in order in anticipation of the cataclysm.

Hence Mr. Jochen in the role of a prophet sounded a warning as to what the agents might expect. He advocated that every office should set up a proper reserve for the future. The severe punishment is certain to come and

therefore the agent should not be found wanting. He called attention to the regular expenses outside the routine insurance office outlay and he stated that a reserve should be put up for them such as income taxes, real estate taxes, personal property taxes, life insurance premiums, etc.

If an office therefore takes advan-

tage of its knowledge of future conditions it can be prepared for them and will not be surprised. Taking a lesson from the past, therefore, every agent should study his probable future and set up a reserve that cannot be touched for anything else. This will see him through a time of trial and strain. It is a safeguard for the future.

## PERSONAL SIDE OF THE BUSINESS

LaVonne Halverson, daughter of W. F. Halverson, state agent of the America Fore in South Dakota, was married to Lieut. John R. Schlosser of Plankinton, S. D. The wedding ceremony took place in a military setting at Ft. Francis E. Warren, Wyo.

Superintendent Frank N. Julian of Alabama, former president of the National Association of Insurance Commissioners, celebrated his 70th birthday last week. He is now rounding out his third term as superintendent and is prominently mentioned for reappointment to the post. From 1927 to 1935 he was president of Bankers Fire of Birmingham, a company which he organized. His early experience was as a newspaperman and for a number of years before going into politics he was editor of the Sheffield "Standard." The Montgomery "Advertiser" had a column story on "Uncle Frank" on his birthday.

R. L. Salmon, Jr. of the American and Miss Betty Carter of the Home in San Francisco, were married at the home of the groom's parents in Salt Lake City. R. L. Salmon, Sr., father of the groom, is special agent of Commercial Union for Utah and Idaho, past president of the Utah Association of Insurance Agents, and present wielder of the Utah-Idaho Blue Goose.

Lieut. C. W. Black, who was with the Dulaney, Johnston & Priest agency in Wichita until a year ago when he joined the army air corps, was back in Wichita with his bride, the former Rosemary French of Stockton, Cal., to visit his parents and former associates. He is stationed at the air corps gunnery school, Las Vegas, Nev.

Charles Gabrielson of Pendleton, Ore., veteran field man, who was for 30 years special agent of Royal and Queen in eastern Oregon and Idaho, has just celebrated his 84th birthday. He is active as an adjuster.

Fred G. Clarke, Jr., of the Seattle law firm of Clarke & Clarke, attorneys for the standard companies in Washington, was married to Cynthia Lee Vinal. Young Clarke is an ensign in the naval reserve and is on active duty, being stationed in Seattle. His father is the senior member of the firm, with which George W. and Fred, Jr., are associated.

Harry S. Byrne, Omaha general agent, has been named a regent of the Omaha municipal university, on recommendation of the alumni association. He graduated from the institution before it became a municipal university.

Miss Edna Flora and John D. Bruhin, son of Mrs. Annie W. Bruhin of Fountain City, Tenn., were married at the rectory of Church of the Immaculate Conception, June 17. The bride has been a secretary for the past 24 years at the Henry G. McMillan Company of Knox-

ville, Tenn. Mr. Bruhin is with the Southern Railway. Mrs. Bruhin will continue in her post as Mr. McMillan's secretary.

C. D. Dunne of Louisville, secretary and treasurer of the "Insurance Index," announced that he has established quarters in the Starks building in that city, planning to manage a new insurance service to be known as "The Medical Directors Quarterly." He has severed his connection with the "Insurance Index."

Walter K. Hardt, vice-president of the Houghton & Co. agency of Philadelphia, has been elected vice-president and a director of Girard Life.

C. A. MacNeill, special agent of Royal-Liverpool groups, Havre, Mont., and Miss Callie Lou Peterson, Glasgow, Mont., were married this week.

John X. Wegmann, president of Lafayette Fire, New Orleans, was the principal speaker at the Fathers' Day celebration of the Exchange Club. Mr. Wegmann is the father of 11 boys.

## DEATHS

A. L. Vetrano, 50, Houston, Tex., local agent, died of carbon monoxide poisoning in the garage of his home. He had been in ill health for some time.

B. E. Norvell, 68, formerly president of the B. E. Norvell & Co. agency of Houston, retiring in 1935, died at his ranch home at Leakey, Tex. His son, W. C. Norvell, now is in charge of the agency.

William A. Yoder, 64, former Minnesota field man and in recent years with Farm Owners Mutual, was found dead from a heart attack in his Minneapolis office.

A. S. Hudson, 69, local agent in Mt. Clemens, Mich., since 1919, died there. He served as school superintendent in Mt. Clemens for 10 years before entering insurance. A brother, W. B. Hudson, heads the Hudson agency in Detroit.

Dr. Charles Simon, for many years general chairman of Swiss Reinsurance, died at Zurich June 22. He had recently celebrated his 80th birthday. Dr. Simon joined the company as a young man. He was general manager before becoming general chairman.

Charles F. Kees, 72, dean of insurance men on Cleveland's west side, died at his home in Lakewood, O. He maintained offices at the same location for 50 years and his father, the late W. H. Kees, was there before him, having started business in 1875. C. F. Kees was branch manager of National Liberty until 1927 when he became an agent of



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FIRE INSURANCE CO.  
Dayton, Ohio**

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"Are you SURE you put that auto insurance renewal in the mail yesterday, dear?"

the company there. He retired four years ago due to ill health and the business has since been carried on by his son-in-law, R. A. Urquhart. Mr. Kees was a trustee of the Insurance Board of Cleveland for nine years.

Word has been received in this country of the death of Robert M'Connell, who retired in 1931 as general manager for Royal and Liverpool & London & Globe at the home office in Liverpool. He had been in the service of Royal since 1896 and had served as general manager from 1929 until 1931.

Mrs. Clara Sieker Brown died at her home in Lebanon, O. She was the wife of Orville K. Brown, who has operated a leading agency there for many years.

Patrick H. Gorman, 49, local agent in Brookfield, Mass., for several years, died suddenly at his home.

## CHICAGO

### FIRE PROTECTION ELEMENTS

J. B. Finnegan, professor of fire protection engineering at Illinois Institute of Technology, announces a course in elements of fire protection engineering in the first semester next year. Studies will be made of building materials and construction, municipal and private water supplies, public and private fire extinguishing apparatus and methods and fire alarm systems.

A course in special hazards will be given in the second semester. This will deal with causes of fires and methods to be used in preventing or extinguishing them, the hazards of power, lighting, heating and air conditioning systems and various typical industrial occupancies.

### OLSON'S CAPTURE TOP PRIZES

The Western Loss Association held its annual golf outing at the Acacia Club. A dinner was served in the evening. E. S. Purcell, general adjuster of Hartford Fire, was chairman of the

### INDIANA STATE AGENT WANTED

A large surety company prefers a man with surety experience but will consider casualty experience. Must have agency plant in Indiana.

### FERGASON PERSONNEL

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golf committee and awarded the prizes. Harry Olson, Sun, received the first prize for the blind bogey contest. W. A. Olson of Rollins, Burdick, Hunter Co. received the prize for low gross. Other prizes were awarded for different events.

### WESTERN FACTORY MOVES

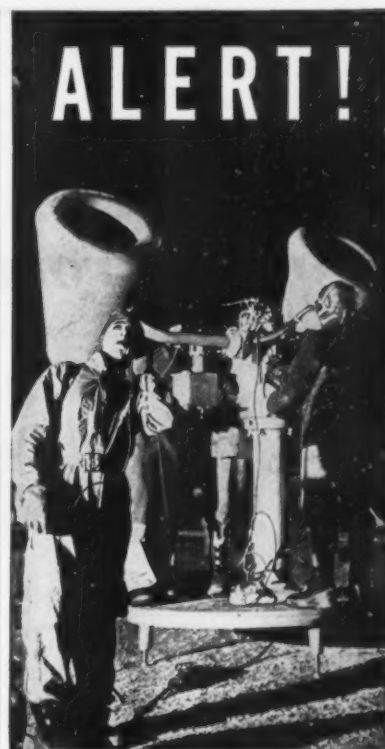
The Western Factory opened for business Monday morning of this week in new quarters in 1935 Insurance Exchange building, Chicago. For many years the Western Factory has been located on the tenth floor of the Insurance Exchange building. The new quarters were those formerly occupied by the Rollins, Burdick, Hunter Company agency and the space is about 50 percent larger than the old space on the tenth floor. The old quarters had become greatly congested due to the increase in business as a result of the war activity. The new quarters provide much greater light which is of particular importance to the staff, as most of the work is of a very close nature.

### McKITTRICK BACK IN CHICAGO

Attorney-general McKittrick of Missouri is scheduled to resume hearings in Chicago Monday in his anti-trust, etc., suit against the fire companies. For the past several months he has been holding hearings at Jefferson City. In Chicago, it is expected he will call representatives of the Grain Association, National Automobile Underwriters Association, Oil Association, etc.

Mr. McKittrick has a list of about 65 company and association executives that he desires to put on the witness stand in Chicago, New York and Hartford within the next few weeks. None of these persons has been heard previously. Among those on the list are E. L. Rickards, western branch secretary of the N. A. U. A., and J. Ross Moore, manager at New York. W. L. Lerch, manager of the Grain Association, is listed. Mr. McKittrick has indicated that he expects to have put on the stand most of the officials by Aug. 1. Last week E. A. Henne, vice-president of America Fore, and John C. Harding, executive vice-president Springfield F. & M., testified at hearings in Jefferson City.

Write Accident & Health Bulletins, 420 E. Fourth St., Cincinnati, for plans for increasing sales.



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Prepared by 145 years of experience, this Company is helping its agents to help industry and America—to protect against losses, delay, damage—to win the Battle of Production which must eventually win the War against the Axis.



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**FIRE INSURANCE SOCIETY, LTD.**

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### 50 ÷ YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 57 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

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That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

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**AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY**



# The NATIONAL UNDERWRITER

June 25, 1942

## CASUALTY AND SURETY SECTION

Page Seventeen

### Pink Blames Lag in Medical Care Plans on Doctors

#### Warns State Medicine Threatens Unless Indemnity Schemes Progress

NEW YORK—The opposition or at best half-hearted support of the medical profession is responsible for the disappointing lack of progress that has been made by medical indemnity corporations, Superintendent Pink of New York declared at the conference of the National Committee on Maternal Health here. While hospitalization plans have succeeded not only in New York City but in many places throughout the country the medical care plans have almost invariably proven disappointing and none of them has as yet had any marked success, he said.

Eight have been licensed in New York City and none has made more than a slow and uneventful beginning. Some have become discouraged and gone into voluntary liquidation. Even the corporation which received assistance from the medical organizations has made little progress. Those in the upstate cities have done better but that is largely because they have some affiliation with local hospitalization plans, Mr. Pink said. While medical men realize the danger of state medicine if something is not done they are fearful of these cooperative ventures and have failed to back them with sufficient enthusiasm, force and strength, he said.

#### Unwilling to Make Sacrifices

"The medical societies wish to prevent those types which they do not like but they are not willing to sacrifice sufficiently of time, effort and money to make those which they do countenance successful," he said. "Some of the plans have not succeeded because the doctors expected to make money out of them and these plans are not intended to be profit-making nor are they susceptible of it. Some are too complicated and lack sales appeal. In other cases the physicians did not fully realize that business backing, business judgment and also some real money are necessary to start a successful venture. While the results to date are anything but encouraging we in the department have not given up hope or expectation. We believe that there is a real need for the medical plan and that eventually one will show the way to success."

Mr. Pink said that while it would seem logical that hospital plans should be permitted to provide medical and surgical service, organized medicine feels differently and organized medicine has prevailed. More important than the extra expense and complexity of separating hospitalization from medical care are the intelligence, spirit and character of management that goes into the effort, he said. There is no desire to

### Sick Benefits in Pilot Policies

#### New Features in Insurance Required for Students in Training Program

NEW YORK—Medical and hospitalization reimbursement insurance required for students in the greatly augmented civilian pilot training program which gets under way July 1 will include sickness benefits for the first time. Furthermore, this will be on a 24-hour basis whereas the accident coverage, as in the past, will apply only to flying or to travel in connection with flight or ground instruction.

Forms are being prepared by the aviation underwriting markets and will be released simultaneously by all four markets, probably within the next few days. As in the past the coverage will be written by Aero, Associated, Employers Liability (Newhouse & Sayre), and United States Aviation Underwriters. It is contemplated that some 75,000 students will be trained during the coming year. This includes navy trainees, who for the first time will be getting their preliminary training through the CPT, though in the past quite a few CPT graduates have gone into the naval aviation service.

The sickness feature of the coverage includes hospital expenses up to \$5 a day, nurses' fees up to \$5 a day, doctors' fees during hospital confinement up to \$3 a day. There is a complete schedule of surgical fees, such as \$100 for an appendectomy; a tonsillectomy, \$25; hernia operations, \$50; blood transfusion, \$25, etc. The over-all maximum for the sickness benefit is \$500, as against \$1,000 for the accident reimbursement feature. Courses offered are as follows: elementary; 240 hours of ground school instruction and 35 to 45 hours of flight instruction. Premiums, \$9.90 for accident and sickness; \$4.48 for \$50/100,000 personal injury and \$5,000 property damage.

Secondary course: 240 hours ground school, 40 to 50 hours flight instruction. Premiums, \$11.30 and \$5.60.

Liaison course: 240 hours ground school, 55 to 65 hours flight instruction. Premiums, \$10.65 and \$5.15.

Cross-country course: 108 hours ground school, 45 to 50 hours cross-country day and night flight instruction. Premiums, \$12 and \$4.20.

Link trainer instrument course: 108 hours of ground school, 20 to 25 hours flight instruction, 15 hours Link trainer instruction. Premiums \$9.50 and \$3.50.

Instructor course: 72 hours ground school, 50 to 60 hours flight training. Premiums, \$9.50 and \$3.75.

make hired men of the doctors nor to have them lower their professional standards. On the other hand, the medical societies must realize that they must serve first the public and only secondarily the interests of their members. They must not be too strenuous in opposing new thoughts, new ideas and new experiments, he warned.

Mr. Pink cited the recent decision of the District of Columbia court of appeals in affirming the conviction of the

### Excess Wins Case Involving Mutual

#### Unreasonable Delay in Notice, Showing of Fraud in Central Mutual Claim

An important decision in favor of Excess in an automobile collision case involving the defunct Central Mutual of Chicago has been rendered by the seventh circuit court of appeals there. The appellate court sustained the finding of the district court of judgment for Excess, although in the trial court the plaintiffs, Barton Snow and his wife, secured large judgments.

The decision turned on a showing that there had been unreasonable and unnecessary delay by Central Mutual in giving notice to Excess, since the accident occurred Feb. 12, 1935, but the court found Excess received its first notice Oct. 5, 1936. Shortly after that date Excess denied liability because of the long delay.

#### Notice Dates Are Changed

While not immediately involved in the final decision, there was a comprehensive showing of fraud in manipulation of Central Mutual records by means of chemical ink eradicators and erasers, and substitution of different dates. In the Snow case the file had been marked "dropped" and this had been erased chemically it was shown. Handwriting experts testified a date of notice shown on the file in ink as "7-2-35" originally had been "9-2-35" written in pencil then erased.

Attorneys for Excess were Lord, Bissell & Kadyk, represented by L. Duncan Lloyd. Ferre C. Watkins, attorney Illinois department liquidation bureau, was of counsel for the Central Mutual receiver in the case. The Excess attorneys let the other side prove up the date of notice as 9-2-35, then demonstrated that was Labor Day and brought witnesses from the office building where Central Mutual was housed to prove by the in-and-out register used on holidays that no one in Central Mutual had entered or left the building that day.

#### Snows Originally Won Awards

The collision between Snow's car and a truck of Hartliep Transit Company of Iowa occurred on Route 6 near Wheaton, Ill. Snow and his wife were seriously hurt and each sued Central Mutual for \$100,000. Snow received a judgment of \$23,515 in the circuit court of DuPage county, Ill., in September, 1935, and his wife a judgment of \$1,484. They garnished Central Mutual. Early in 1936 they won an award of \$20,402 for Snow and \$1,514 for his wife.

Central Mutual appealed to the appellate court but judgment was affirmed, then to the Illinois supreme court, which denied rehearing. The surety of Cen-

American Medical Association for conspiracy to violate the Sherman anti-trust law. He warned that if the medical societies fail in broad and constructive leadership and are unwilling or unable to provide adequate medical and maternity care there is undoubtedly more than a threat of state medicine.

### Pepper Bill Strikes Unexpected Snag in Senate

#### Opposition Voiced to Setting Up Vast Pension Payment System

After the Pepper bill providing benefits for civilian war caused death and injuries had moved serenely along, with changes being confined largely to technical details, a flareup occurred in the Senate and it was found desirable to split the measure in two parts. The Senate passed and sent to the House legislation authorizing benefits for civilian personnel injured, killed or captured in war action at military installations outside of the United States.

Stricken from the bill were provisions authorizing the payment of monthly benefits for civilians within the United States who were injured, killed or captured by enemy action.

Senator Pepper, author of the bill, said the latter provision would be included with an authorization for the establishment of an emergency war disaster relief organization in a new proposal that will be referred to the senate finance committee.

The Pepper measure in toto had been approved by the education and labor committee but Senator George, chairman of the finance committee, sought to send the bill to the finance committee for a further study on the theory that a vast system of pension payments was involved.

Pepper charged that those who sought to refer the bill to the finance committee do not feel generously towards it and he stated that the bill emanated from the President. Senator George said the finance committee ought to be given the opportunity to determine the amount of responsibility the government should assume towards civilian war victims.

Pepper wanted immediate Senate passage of the bill and he estimated that the maximum cost of the measure would not exceed \$36,000,000 a year.

tral Mutual paid \$21,564 on the appeal bond and Central Mutual paid \$2,919 on expenses, then sued Excess under its reinsurance treaty for approximately \$21,000, or all but the \$5,000 primary cover. Excess removed the case to federal court.

#### Excess' Rights Prejudiced

The reinsurance contract required immediate notice of accident in which the reinsurance was or might probably be involved, this being predicated on the reinsurer's having the right and opportunity to be associated in defense and control of any claim or suit involving the reinsurance. It was found the failure of Central Mutual to give notice de-

(Continued on page 32)

## Pooling of Trucks Causes Insurance Problem

NEW YORK—Casualty and inland marine underwriting committees are at work upon plans covering their prospective liability upon trucking risks under the program of the federal transportation bureau, which becomes effective July 1. By the terms of the new arrangement, trucks must have designated percentage loads before initial starting and again before beginning return trips. As a consequence a pooling of facilities has been necessary by the trucking industry, and by virtue of the interchange of vehicles and personnel, casualty and fire underwriters must work out some method of operation. The problem is decidedly complicated.

## Bituminous Casualty Has Renewal Slip Experience

In the current discussion of the use of renewal certificates it is interesting that Bituminous Casualty of Rock Island, Ill., has been using such certificates right along and the management states that it has proved successful with agents.

Bituminous Casualty was organized in 1917 to write compensation insurance for the coal mine industry and that was in a time of war. Bituminous Casualty cast about for some economical means of doing business and issued a continuous form policy, which it states was acceptable to the assured and which conserved a great amount of paper. The policy was continuous until canceled and all that was required of the insured to keep a policy in force was for the mine to be kept in an acceptable condition and the premium paid promptly. Bituminous issued an endorsement on each anniversary date, setting out the rates for the ensuing year.

In the early 1930's Bituminous Casualty expanded into general lines and entered a number of new states. Some of the state departments objected to the continuous form policy and Bituminous was required in some places to issue renewal policies each year. However, most states permitted Bituminous to write an annual policy with the privilege of renewing by use of a renewal certificate which continued the old policy in force and set out the proper adjusted rates for another year. This plan eliminated most of the disadvantages of the continuous form policy but continued the economic and sales advantages.

## Minn. Ruling on School Cover

ST. PAUL—A school district, being an arm of the government, is not liable for the torts of its employees but it may carry liability and property damage to cover pupils and equipment in school buses, the attorney-general of Minnesota has ruled. Such insurance, however, would not be for the benefit of third parties.

## Urges Auto Sales Efforts

MILWAUKEE—Pointing out that the necessity for carrying liability and property damage insurance is still present, whether a car is driven 100 miles or 1,000 miles a month or operations are curtailed by rationing of tires and possibly gasoline, a bulletin of the Milwaukee County Board of Casualty & Surety Underwriters suggests new business in automobile insurance among the large percentage who have not been carrying protection, especially those now earning high wages and not previously insured. Other good lines urged for attention, to make up some of the loss of premiums by cancellation of risks affected by war conditions, are guest medical reimbursement coverage, personal and residence public liability, accident and health, residence burglary, boiler and machinery insurance. John E. Masak is chairman of the committee issuing the bulletin.

# Fidelity and Surety Results Are Scanned

Fidelity premiums earned last year country-wide of companies operating in New York totaled \$40,323,761 and surety premiums were \$52,313,238, according to an analysis of the experience prepared by the New York insurance department from the casualty experience exhibit.

The fidelity loss ratio was 19.9, expense ratio 57.3 and the companies enjoyed a net gain of 22.8 percent. In the surety branch the loss ratio was 10.6, expense ratio 65.5 and there was a net gain of 23.9. The exhibit also gives an analysis of the expense ratios divided between

claim adjustment expense, acquisition and field supervision, general administration, inspection and bureau, taxes and fees, federal income tax, and the figures are given in the aggregate from 1937-41 inclusive. There are few important fidelity-surety writers not licensed in N. Y.

### FIDELITY EXPERIENCE

(Analysis of Incurred Expense Ratios (Countrywide))

	Premiums Earned	Underwriting Ratios	Claim Adjustment	Acquisition & Field Supervision	General Administration	Inspection and Bureau	Taxes and Fees	Federal Income Tax
		Loss	Expense	Net Gain				
Accident & Cas.	\$ 9,257	31.9	76.5	—8.4	12.7	37.2	19.4	2.8
Aetna Cas.	2,003,134	19.9	55.9	24.2	4.8	27.8	13.4	.3
American Employers	251,023	31.9	47.1	21.0	4.8	34.3	5.9	.5
American Guar. & Liab.	68,163	39.5	60.0	.5	6.3	33.1	11.4	1.4
American Motorists	26,743	40.5	32.8	26.7	3.8	10.9	9.6	.4
American Mut. Liab.	158,328	28.6	31.5	39.9	5.0	—2.3	26.2	.1
American Re-Ins.	522,939	16.9	71.9	11.2	—	52.5	7.2	.4
American Surety	3,819,059	13.2	61.4	25.4	6.2	30.0	20.7	.6
Associated Ind.	16,983	4.2	55.7	40.1	1.7	31.0	16.5	.6
Bankers Ind.	349	—48.7	118.1	30.6	47.6	27.2	43.3	.3
Car & General	1,420	—5.1	40.3	64.8	2.8	17.7	11.3	3.5
Central Surety	178,101	17.9	52.0	30.1	5.1	25.8	11.7	1.0
Century Ind.	305,654	17.7	45.9	36.4	4.4	28.1	8.3	.8
Columbia Cas.	195,316	15.3	44.2	40.5	1.2	28.1	10.1	1.1
Commercial Cas.	214,832	4.2	67.2	28.6	14.5	29.2	20.1	1.2
Continental Cas.	584,917	12.5	56.1	31.4	10.0	29.2	13.3	.8
Eagle Indem.	141,007	16.6	44.1	39.3	9.3	23.3	8.9	.8
Employers Liab.	482,556	29.3	51.4	19.3	3.4	39.0	7.5	.4
Employers Reins.	446,605	31.2	66.6	2.2	3.4	54.3	5.8	.3
Europ. Gen. Re.	1,007,589	23.2	64.2	12.6	3.0	55.5	1.6	.1
Excess	34,648	48.2	42.7	9.1	—	27.8	10.6	.1
Farm Bur. Mut. O.	2,668	—32.1	—29.2	161.3	—3.4	6.1	—34.1	.6
Fidelity & Cas.	2,003,598	13.4	48.8	37.8	6.3	23.9	13.5	1.2
Fidelity & Deposit	5,233,515	22.0	66.7	11.3	7.8	37.9	11.6	.5
Fireman's Fund Ind.	249,607	15.6	52.7	31.7	5.2	24.4	17.7	1.0
General Cas., Seattle	99,177	18.9	54.6	26.5	5.6	25.5	7.8	.2
General Reins.	626,453	28.9	51.4	17.7	3.1	42.8	5.2	.2
Glens Falls Ind.	227,075	19.8	61.3	18.9	11.9	28.8	14.5	1.8
Globe Ind.	639,728	19.3	55.2	25.5	6.9	28.1	8.6	.5
Great American Ind.	389,574	26.8	55.4	17.8	6.6	26.9	14.8	1.9
Guarantee of N. A.	152,857	16.3	69.2	14.5	2.3	35.2	19.8	.4
Hartford Acc.	2,289,944	18.4	48.1	33.5	5.2	20.2	14.4	.5
Home Indemnity	281,896	24.4	41.2	34.4	7.5	17.4	7.6	1.2
Indemnity of N. A.	1,281,539	21.4	54.0	24.6	4.9	26.2	10.8	.7
International Fidelity	105,380	6.8	44.5	48.7	—	2.7	33.9	3.4
Liberty Mut.	597,588	33.2	34.0	32.8	8.0	8.7	15.0	.2
London Guar.	128	1239.8	253.0	—1392.8	212.5	39.8	2.3	—
London & Lanc. Ind.	39,877	—18.4	76.6	41.8	23.3	24.5	16.4	2.6
Lumberm. Mut. Cas.	118,318	37.4	29.1	33.5	8.0	8.8	9.8	.6
Manufacturers Cas.	15,235	36.9	50.0	13.1	10.8	24.8	8.9	1.8
Maryland Cas.	1,496,622	20.1	55.8	24.1	11.3	29.1	11.5	.4
Massachusetts Bonding	998,191	26.5	53.2	20.3	10.8	28.9	10.4	.3
Merchants Ind.	20	2.3	27.6	70.1	—	27.6	—	—
Metropolitan Cas.	125,902	4.6	84.1	11.3	27.7	31.0	21.3	1.1
National Cas.	24,540	—9.5	55.8	53.7	8.2	28.8	14.6	.9
National Surety	3,804,670	21.6	61.9	16.5	7.4	32.8	12.7	.4
New Amsterdam Cas.	984,018	21.9	49.9	28.2	7.0	28.5	9.0	1.3
New England Cas.	1,640	—1.5	75.0	7.0	—	9.0	6.4	.2
New York Cas.	462,993	17.3	44.9	37.8	5.0	25.4	10.8	.4
Occidental Ind.	77,961	10.7	37.8	51.5	2.3	24.6	7.0	.6
Ocean Acc.	267,101	17.6	41.7	40.7	2.9	22.9	11.5	.8
Peerless Casualty	56,248	21.8	80.2	—2.0	1.5	67.6	8.1	.3
Preferred Acc.	103,028	21.4	62.1	16.5	18.4	34.2	6.3	.2
Royal Ind.	532,238	24.0	53.7	22.3	11.4	22.6	9.7	.4
St. Paul Merc. Ind.	403,329	18.8	57.4	23.8	6.4	25.7	6.5	2.1
Seaboard Surety	322,813	26.6	59.4	14.0	15.6	18.1	12.3	3.9
Security Mut. Cas.	9,155	32.1	65.0	2.9	5.2	53.7	3.4	.2
Standard Accident	721,777	11.5	67.7	20.8	8.5	32.3	21.0	.9
Standard Surety & Cas.	69,179	32.3	43.6	24.1	10.4	12.9	16.7	.1
Sun Indemnity	44,282	29.0	35.3	35.7	6.6	17.1	7.1	1.2
Travelers Indemnity	166,059	23.6	88.0	—11.6	9.5	44.6	27.3	.9
United States Cas.	148,856	27.8	58.6	13.6	4.6	27.5	23.5	.4
U. S. Fid. & Guar.	3,766,989	18.6	56.6	24.8	4.8	27.6	11.6	.6
United States Guarantee	787,492	18.1	56.4	25.5	4.6	20.6	11.2	.5
Yorkshire Ind.	125,878	32.3	62.2	5.5	2.3	50.4	5.1	.2
1937 Total	\$37,766,408	21.5	55.5	23.0	7.0	28.3	13.5	.6
1938 Total	37,481,164	25.4	56.3	18.3	7.7	28.3	13.5	.6
1939 Total	37,538,592	22.0	58.1	19.9	7.3	29.2	13.7	.6
1940 Total	37,589,842	23.1	56.7	20.2	7.1	28.3	13.7	.6
1941 Total	40,323,761	19.9	57.3	22.8	6.6	30.2	12.7	.6

### SURETY EXPERIENCE

	Premiums Earned	Underwriting Ratios	Claim Adjustment	Acquisition & Field Supervision	General Administration	Inspection and Bureau	Taxes and Fees	Federal Income Tax
		Loss	Expense	Net Gain				
Acc. & Cas.	\$ 27,501	9.0	88.5	2.5	7.4	51.3	19.5	2.8
Aetna Cas.	3,317,032	5.1	67.3	27.6	6.7	36.2	14.0	.4
American Credit Ind.	1,855	—	—	100.0	—	—	—	—
American Employers	296,678	7.3	56.3	36.4	4.9	40.1	9.5	.5
American Motorists	19,974	40.0	49.0	11.0	3.7	27.2	9.7	.7
American Mut. Liab.	1,560	—	37.3	62.7	—	12.6	21.2	.2
American Re-Ins.	1,172,668	8.2	80.1	11.7	—	59.3	7.6	.4
American Surety	2,680,478	10.9	75.1	14.0	9.0	34.2	27.1	.6
Associated Ind.	17,458	—	71.6	28.7	2.3	46.0	17.4	.6
Bankers Ind.	36	—10413.9	1197.2	9316.7	1152.8	—	44.4	.1
Car & General	9,824	88.5	68.7	—57.2	.3	46.4	11.2	3.2
Central Surety	422,093	20.4	58.5	21.1	5.4	33.2	11.7	1.1
Century Ind.	622,569	8.7	64.5	26.8	3.8	41.1	9.6	.9
Columbia Cas.	215,019	15.9	48.9	35.2	3.4	29.3	10.0	2.4
Commercial Cas.	141,161	16.5	71.0	12.5	8.8	34.0	23.0	2.3
Continental Cas.	1,241,553	13.1	58.4	28.5	9.1	34.4	11.4	.7
Eagle Ind.	90,898	22.2	58.4	19.4	8.4	31.3	13.5	.7
Employers Liab.	238,101	9.6	69.3	21.1	5.5	42.7	13.0	.6
Employers Reins.	885,728	13.1	74.9	12.0	2.6	58.2	6.5	.3
European Gen. Reins.	1,247,814	30.8	62.8	6.4	5.3	53.3	2.0	.1
Excess	250,711	11.4	53.9	34.7	1.4	33.7	10.6	.2
Fidelity & Cas.	1,817,644	16.4	57.8	25.8	7.9	34.3	11.5	1.0
Fidelity & Dep.	4,054,946	—	77.3	22.6	7.7	41.9	12.0	1.5
Fireman's Fund Ind.	400,376	8.7	54.8	36.5	6.5	29.2	14.2	.8
General Cas., Seattle	453,879	40.6	57.0	2.4	6.4	38.2	6.9	.1
General Reins.	893,171	13.4	64.4	22.2	2.8	53.5	5.6	.3
General Trans. C. & S.	612	—1.0	36.6	64.4	—	3.9	13.9	.2
Glens Falls Ind.	904,258	14.3	63.0	22.7	5.9	36.6	14.5	1.7
Globe Ind.	621,369	—23.3	75.2	48.1	10.2	31.6	11.7	.4
Great Amer. Ind.	741,743	10.6	59.5	29.9	5.8	32.5	13.6	.9



## Take Offensive! Travelers Urges at Indiana Session

INDIANAPOLIS—That producers of casualty business should take the offensive under present increasingly difficult business conditions rather than yield to inclination to wait to see how things may turn out was the keynote of all the talks made at the agency meeting conducted by the Indianapolis office of Travelers. S. J. Whiteman, manager of the casualty department, gave the opening talk.

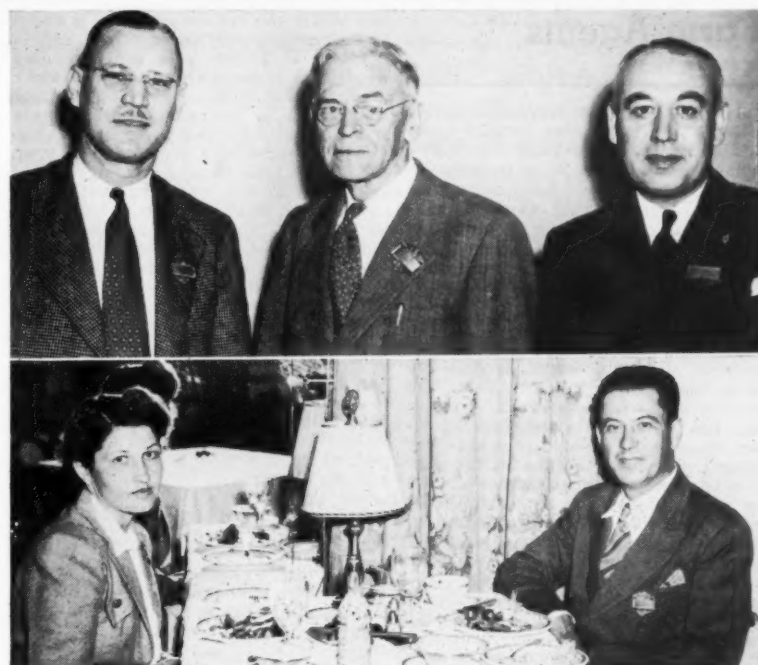
H. C. Leavens, assistant superintendent of agencies from the home office, discussed "The American Insurance Agent in a World at War." He urged that the difficulties of war conditions be met in a spirit of courage and determination.

M. S. McComas, Jr., assistant manager at Indianapolis, outlined "The Ability of the Travelers to Satisfy Your Bond Requirements." He stated that Travelers in the comparatively brief time it had been engaged in the direct writing of bonds has taken a strong position in this field and has full equipment of underwriting facilities for its representatives to render full service in the writing of fidelity and surety bonds.

### Burglary and Robbery

George M. Lewis, field assistant at Indianapolis, talked on the opportunities offered in war times for the sale of burglary and robbery. He urged that agents take the offensive in the sale of policies under this classification as they are good weapons to use now in the battle for business. War conditions tend to aggravate crime tendencies, he said, and increase the need for the burglary and robbery coverages. Unemployed men of the borderline type who have not fitted into war production jobs are apt to turn to crime with temptations greater due to greater flow of funds because of mounting payrolls.

Mr. Lewis touched briefly upon each of the specific policies that are available in this particular field, listing the improvements and attractive broadening of the coverage that has been accomplished in the past 10 years. The protection provided by accounts receivable insurance, he said, may well be brought to the attention of present clients and prospects as being needed



GROUPS AT INSURANCE COMMISSIONERS' CONVENTION SNAPPED BY HARRY H. FULLER, DEPUTY U. S. MANAGER OF ZURICH:

Above—Superintendent McNair of Ontario, Commissioner Hobbs of Kansas and Superintendent LaFrance of Quebec.

Below—Commissioner and Mrs. R. F. Apodaca of New Mexico.

now more than ever before. He referred to a sign he saw in the window of a store in an Indiana town that had been visited by fire which read: "If you owe me come to my home and pay me so I can pay my gross income tax."

"If you get held up, let us hold the bag," he suggested as a good slogan to use in pushing the sale of burglary, robbery and theft insurance.

A. N. Graves, agency assistant from Hartford gave an instructive review of "Public Liability Insurance" as an opener for the afternoon session. Automobile liability insurance is generally accepted by the public as a "must" coverage but, as Mr. Graves pointed out, the Travelers general liability claims other than auto have been exceeding auto liability claims two for one. He proved that there is a certain need for liability coverages and also that there is sufficient premium revenue to be de-

rived therefrom to justify agents pushing the sale of it. Incidentally, he stated that teams' liability insurance is a line of coming importance, as many lines of business are being forced to depend upon team drawn vehicles to make their deliveries.

The companies' underwriting attitude toward general liability lines is now liberal. The lapse ratio is low when it is properly sold. Giving credit to the value of other sales helps in this field, Mr. Graves said that, if he had no other to depend upon, newspaper clippings would always furnish him excellent sales material. He exhibited three clippings he had just cut out as examples.

H. D. Sherwood, assistant supervisor of agency field service, also from the home office, gave a clear discussion of "Comprehensive Liability Insurance."

"Liability has nothing to do with in-

## Ten Eyck Resigns, Merrick Successor

NEW YORK—Barent Ten Eyck, since 1939 general solicitor in charge of the claims bureau of the Association of Casualty & Surety Executives, will leave June 30 to become a member of the well known New York City law firm of Parker & Duryee. His successor will be Wayne Merrick, claims bureau director of investigations since 1938, who will have the title of manager.

Mr. Ten Eyck, a graduate of Princeton University and Columbia law school, was admitted to the New York bar in 1929. After two years of private practice he was appointed assistant United States attorney for the southern district of New York. In 1934 he became assistant corporation counsel of New York City. A year later he was made assistant to Special Prosecutor T. E. Dewey in the investigation of rackets in New York City. When Dewey was elected district attorney, Mr. Ten Eyck was made assistant district attorney in charge of the frauds bureau, remaining in that capacity until he joined the association's claims bureau in 1939.

Mr. Merrick, a graduate of National University law school, Washington, D. C., was a special agent of the Federal Bureau of Investigation for nearly nine years. For three years he was chief investigator in the Dewey probe.

insurance," he said, "but insurance has a lot to do with liability." Under the single hazard liability policies or even the schedule policies it has had to be conceded that much possibility for loss is left uncovered. While the comprehensive policy is not an "all risk" cover, as Mr. Sherwood pointed out, it does go very far toward giving the broadest possible protection. The exclusions from coverage can practically all be taken care of under other standard forms of insurance.

This is not an additional form of liability insurance, he said, but more of a blanket form to include in one policy contract much of the possibility for loss from this cause. Agents should check over their outstanding general liability policies of the restricted forms and endeavor to replace those with comprehensive policies where the risk is of sufficient size to qualify for the minimum conditions. And he warned that a good way to get out of the local agency business in these times is to take the attitude toward any new type of policy or insurance that may be offered, "O, I don't like it, let someone else do it."

### Preferred Accident Roundup

Field men in the middle western territory of Preferred Accident gathered in Chicago for a get-together with Manager Walter Clannahan and Secretary Frank Schapp and Clark Hungerford, new workmen's compensation supervisor, from the head office.

### Conduct Comprehensive Panels

John Gurash, assistant manager American Surety, and Lloyd Carlton, special agent of Fireman's Fund Indemnity, led an interesting panel discussion before the Insurance Exchange of San Diego, Cal., and Francis E. Homer, Hartford Accident, and M. E. McFarland, American Surety, led one before the Whittier Insurance Exchange, both on "Comprehensive Liability."

Miss Barbara Bullitt, daughter of William Marshall Bullitt, prominent insurance attorney, Louisville, was married to Lowry Watkins, local agent there.

Mrs. Katherine W. Wayland, private secretary to Commissioner Caminetti of California, fractured both her wrists in a fall while she was visiting her husband at San Diego, where he is employed by the navy as a naval architect. She was removed to a hospital in San Francisco where she will be confined for several weeks.

### —Analysis of Incurred Expense Ratios (Countrywide)—

	Premiums Earned	Underwriting Ratios	Claim Adjust- ment	Acqui- sition & Field Super- vision	General Adminis- tration	Inspection and Bureau	Taxes and Fees	Federal Income Tax
	Loss	Expense	Net Gain					
Guarantee of N. A.	184,370	13.2	82.2	2.1	59.9	15.9	3.5	8.8
Hartford Acc.	3,065,366	9.4	31.5	7.7	27.5	15.8	3.0	4.6
Home Indemnity of N. A.	134,067	7.9	68.4	11.9	41.0	7.8	3.6	3.2
International Fidelity	985,500	6.3	61.1	32.6	27.7	12.4	4.0	10.0
Liberty Mut.	4,532	—3.0	49.6	53.4	9.2	32.9	3.4	4.1
London Guar.	12,974	—8.3	32.7	75.6	3.7	22.8	1.9	2.4
London & Lanc. Ind.	158,250	—9.5	66.8	42.7	10.2	34.3	1.7	4.3
Lumberm. Mut. Cas.	2,936	40.0	44.5	15.5	3.2	28.4	10.0	2.0
Manufacturers Cas.	99,781	19.1	59.8	21.1	5.5	40.7	8.6	1.7
Maryland Cas.	3,136,899	23.4	63.6	13.0	12.1	37.9	9.8	3.4
Massachusetts Bonding	1,141,527	50.5	53.3	—3.8	9.2	32.4	8.6	2.8
Merchants Ind.	149,064	3.4	65.9	30.7	1.1	49.5	11.1	2.9
Metropolitan Cas.	194,249	—1.0	51.2	49.8	2.7	30.5	17.3	2.7
National Cas.	44,262	—11.0	61.1	49.9	10.2	32.8	13.6	3.7
National Surety	3,691,945	8.2	67.7	24.1	6.1	37.2	12.6	3.5
New Amsterdam Cas.	1,073,899	8.3	60.5	31.2	12.0	32.0	11.4	3.4
New England Cas.	55,120	7.3	69.1	23.6	—	62.6	2.2	4.1
New York Cas.	398,587	2.2	54.7	43.1	7.5	29.9	12.9	4.0
Occidental Ind.	106,752	—5.4	49.5	55.9	1.7	33.3	9.1	4.7
Ocean Acc.	115,078	18.3	50.7	31.0	5.2	29.3	11.5	3.6
Peerless Cas.	390,306	18.9	43.3	37.8	1.4	32.5	7.2	2.2
Phoenix Ind.	2,006	5.0	57.6	37.4	—	31.9	1.3	2.5
Preferred Acc.	391,358	5.1	63.3	31.6	8.3	42.3	8.4	3.2
Royal Ind.	442,791	—1.4	66.3	35.1	8.7	29.3	14.6	3.1
St. Paul Merc. Ind.	1,125,864	2	63.4	36.4	3.0	32.5	9.7	3.9
Seaboard Surety	1,576,380	7.8	64.0	28.2	7.1	30.3	12.6	4.0
Security Mut. Cas.	1,892	4.8	25.5	69.7	—	20.5	3.4	1.6
Standard Acc.	2,187,104	14.6	65.6	19.8	6.0	40.7	12.3	3.5
Standard Surety & Cas.	152,179	24.4	63.0	12.6	15.4	32.2	11.2	3.9
Sun Ind.	55,913	—11.9	38.6	73.3	8.5	20.3	6.1	2.4
Travelers Ind.	441,673	18.7	109.5	—28.2	5.8	63.6	31.8	7.1
United States Cas.	256,966	49.9	66.5	—16.4	1.4	35.2	26.2	3.2
U. S. Fidelity & Guar.	5,389,176	6.0	64.5	29.5	6.7	31.0	12.2	3.3
United States Guar.	1,998,393	1.7	61.3	37.0	2	25.7	8.6	3.2
Yorkshire Ind.	347,659	17.2	72.8	10.0	2.3	59.5	5.9	4.5
1937 Total	\$39,748,625	16.8	62.4	20.8	9.5	32.7	13.4	5.8
1938 Total	39,358,852	13.8	67.3	18.9	9.3	35.6	14.4	6.9
1939 Total	43,209,975	20.6	65.0	14.4	9.3	34.9	13.5	6.4
1940 Total	42,974,444	11.9	66.6	21.5	8.9	35.0	13.8	7.9
1941 Total	52,313,238	10.6	65.5	23.9	6.7	36.6	12.4	5.6

## Points Opportunity for Farm Agents

(CONTINUED FROM PAGE 3)

and some company underwriters to forget the fundamentals of the business. Those agents who persistently adhere to sound underwriting practices, he added, will over the years build up for themselves a substantial farm business that will produce the results that all desire, that is a profit for both agent and company.

### Cornell Points Out Fundamentals

Mr. Smith referred to a letter written by F. H. Cornell of Chicago, secretary and manager of the farm department of the Home, to an agent. He said that the fundamentals of good farm underwriting may be briefly stated as follows:

1. Character, reputation and financial responsibility of the assured.
2. Physical conditions of buildings.
3. Suitability of buildings to the needs and requirements of the farm on which located.
4. Maintaining a margin of at least 25 percent between new construction cost less reasonable depreciation or utility value (whichever is lower) and insurance.
5. Adequate coverage of personal property.
6. An inspection that, so to speak, "goes into the boot lining." Every risk should have something more than a superficial survey. Dwellings particularly should be gone over from cellar to attic.
7. The character of housekeeping, both as to dwelling and the general premises, should be taken into account.
8. Any existing fire hazard should frankly be called to the assured's attention, and if he is not sufficiently interested in doing his part to eliminate dangerous conditions, the risk should not be written.

### Stick to Orthodox Companies

The companies find that there are still agents who ask for and bring strong pressure to secure for themselves special favors and concessions disregarding the violation of good underwriting. There are also agents that seek companies to write their farm business that do not consistently adhere to generally recognized good underwriting practices and who like themselves are not concerned with general welfare of the farm business. Loyalty to those companies that make the farm business a major activity and that have stuck through the good and lean years will assure agents of constantly improved farm writing facilities.

Speaking of the current war situation, Mr. Smith said that both agents and companies engaged in the farm business are in a position to render an invaluable service to the government. The farmer, he said, has been charged with the task of feeding millions of men in the service both for those following the United States colors but to a great extent they must assist in feeding the allies. He said that the United States' 6,000,000 farmers on the agricultural assembly line are now turning out production figures of astronomical character as they swing into the gigantic war time production of food and industrial products.

## Ponder Problem of Mortgagee Interest

(CONTINUED FROM PAGE 4)

severe censure in the event of a heavy loss and that critics would give little thought to the mathematical computations which had supported the decision not to insure. Another reason for insuring is that in case there is no great damage done by enemy action during the next 12 months the coverage will probably be continued by the War Damage Corporation at no further premium.

It is possible that if mortgagors and lenders do not agree that the former

should insure against war damage for the latter's benefit some sort of compromise might be worked out. The companies would be in a position to point to some legal justification for their requirements that they be protected. For example, the conventional or non-FHA type of mortgage specifies that the borrower must insure against fire. There is no limitation as to the cause of fire.

The standard fire insurance policy, even with the extended coverage endorsement does not insure against fire arising from enemy action. Thus, the borrower might be regarded as not fulfilling the terms of his mortgage agreement unless he insured against war damage. On the other hand, the federal war damage coverage includes not only damage by fire resulting from enemy action but damage resulting from an explosion not involving fire and also destruction caused by falling aircraft engaged in warfare. The borrower might contend he was being forced to buy coverage beyond the scope of his mortgage requirements.

However, there is a question whether, having accepted the type of insurance offered by the mortgagor, the lender can specify a different type of coverage or a more complete type of coverage before the mortgage comes up for renewal. There is, of course, no question of the company's right to demand war damage insurance on new mortgages or renewals.

Somewhat the same question comes up in connection with FHA mortgages. The insurance provision gives the lender a little more latitude on the type of insurance that may be required but there again is a question whether a borrower can be required to take a more comprehensive coverage than was acceptable to the lender when the mortgage was negotiated. Three-year policies are the rule on FHA mortgages and the question arises as to the company's right to demand a change before the policy comes up for renewal.

Another possible complication is that in the event a building is totally or substantially destroyed as a result of warfare the owner might try to proceed against the lender on the basis that the lender should have protected its interest as mortgagee by purchasing war damage insurance and hence should not be permitted to foreclose.

Since a borrower is required to sign a bond as well as pledging the value of the property he is of course just as liable for the mortgage debt after the destruction of his property by a bomb as if the property was still sufficient to take care of the lender's claim. However, in spite of the careful investigation of borrowers which life companies make the property is still the main element in the security behind the loan and they are keenly interested in protecting it. Since the War Damage Corporation specifies that no one can collect more than his interest in the property there would be little incentive for the usual run of property owners to pay the premium necessary to protect the mortgagee unless there were some legal compulsion to do so.

## New Farm Schedules Are Issued in Indiana

(CONTINUED FROM PAGE 4)

mum is collected in cash or by a three month note and then a note is taken for the balance to mature in not to exceed 12 months, with interest at 6 percent but the interest is waived if the note is paid within three months.

On the five year installment plan, one-fifth of the premium is collected in cash or by a three months note, and a note is taken for the balance with one-fifth to mature each year on the first of the month following the anniversary date of the policy with no interest charge. The

rate under the installment plan is about 15 percent higher than the cash rate.

There is a new rule for extending windstorm insurance on farm live stock to cover live stock against freezing or smothering in blizzards or snowstorm and for this coverage there is an additional premium of 8 cents for one year.

There is also a rule providing for fire and lightning endorsement to extend the coverage on standing grain (wheat, corn, barley, oats, rye) for an additional premium of 8 cents. In the past this coverage had to be obtained through a separate short term grain policy.

The specific insurance on grain rules have been revised, particularly in case of insurance on threshed grain and corn in a specifically named building against fire, lightning, tornado and hail. There is a rate of 52 cents for these combined hazards in northern Indiana and 60 cents in southern Indiana. These rates are 75 percent of the personal property rates and the coverage is similar to that given when the Commodity Credit Corporation required the farmer to buy insurance on sealed grain.

The changes in southern Indiana parallel rather closely those in the north. In southern Indiana, however, the fire and lightning rates differ in a good many particulars and a tenant occupancy charge is made in the south but the charge has been reduced. The tornado rates are the same in both the north and the south.

## More Increases in Cargo War Risk Rates

NEW YORK—Cargo war risk rates were increased by underwriters this week by 50 percent on western hemisphere voyages confined to the Pacific coast which proceed north of San Francisco. Pacific coast voyages confined to the west coast not north of San Francisco nor south of the Panama Canal, including the Atlantic side of the canal, continue to take a 2 percent rate but to U. S. ports north of San Francisco and to Canadian Pacific ports, the rate is 3 percent. Voyages from the west coast of South America continue to take the 3 percent rate if to San Francisco or points to the south, but will now take a 4½ percent rate to American or Canadian ports north of San Francisco.

Other changes include: Puget Sound and west coast of Canada to-from west coast of Canada and southeastern Alaska not beyond Cape Spencer, was 1 percent, now 1½ percent; other ports in Alaska not beyond Unimak Pass, was 3 percent, now 4½. Other west coast U. S. ports to-from southeastern Alaska not beyond Cape Spencer, was 3 percent, now 4½; other points in Alaska not beyond Unimak Pass, was 4 percent, now 6.

Canary and Cape Verde Islands, formerly classed with Portugal, are now in the African classification, raising the rate from 7½ percent to 15.

Earlier in the week rates to and from Egypt, including Mediterranean ports, and all ports east of Suez but not east of Cape Comorin at the southern tip of India, and also Africa (excluding African Mediterranean ports) were raised from 12½ percent to 15.

## Blackall Condemns Banks for War Cover Move

HARTFORD—In approving war damage insurance for \$60,000,000 on state owned properties and endorsing the general purchase of war damage coverage, Commissioner Blackall of Connecticut criticized the precipitate action of many banks in demanding that coverage of mortgaged property be arranged and completed before June 27. He said he thought the banks had been hasty and "somewhat unwise" in setting this date, since on account of the magnitude of the job "it probably will be physically impossible for the agents to familiarize themselves efficiently with the program and for the War Damage Corporation itself to make available the applications so that everyone will be covered before July 1."

## Alex Hurry Is Elected Canadian President

(CONTINUED FROM PAGE 3)

He stated that due to the efforts of the Ontario Fire & Casualty Insurance Agents Association, companies in the province have been literally flooded with letters from fire and casualty agents opposing granting of licenses to rank outsiders.

When the matter of licensing automobile dealers first was brought up, many companies, and in fact some large insurance associations, were in favor of the plan. However, it is reported, unofficially, that a resolution was passed at the C.U.A. meeting unanimously opposing granting of such licenses. At a special meeting of the executive committee of the All-Canada Insurance Federation, which immediately followed the C.U.A. meeting, a similar resolution was passed. Copies of these resolutions are to be sent to superintendents of insurance of each of the nine provinces in Canada.

In view of oft-repeated contentions by government officials that there are now too many agents, it is felt that plans to license automobile dealers may not get very far, in view of the mounting opposition.

## Ohio Field Club Outing

The Casualty & Surety Field Club of Ohio held its annual golf party Monday with 50 in attendance, including Deputy Superintendent of Insurance J. R. Crabbe, Warden L. U. Jeffries and Thomas J. Woods, financial officer of the Ohio department. H. W. Donovan, American Auto, presided at the dinner. John S. Warren, General Accident, is the new president.

## Revise Ohio Examination Manual

The Ohio department is preparing a revised manual of instructions for examinations of applicants for casualty and surety agents and solicitors licenses. It has asked that agents send in their orders for the manuals at once so that it may know how many copies to have printed.

## Sanford Succeeds Mangold

LANSING, MICH.—L. H. Sanford, former second deputy commissioner of the Michigan department, has been retained on a temporary basis as acting chief examiner. He will direct the examining of Canadian companies this summer. Mr. Sanford, who has been with Dearborn National Fire and, more recently with Michigan Medical Service, since leaving the department, is taking the place of L. R. Mangold, who is on leave of absence from the department and now is with the Conductors Protective Association, Detroit.

Jeremiah J. Barkie, son of C. A. Barkie, assistant United States manager of the Accident & Casualty, commissioned a second lieutenant in the army, has been assigned for duty with the anti-aircraft division of the coast artillery corps. He received the B. A. degree from Fordham University and his military commission at the same time.

An all-day sales conference of the New Jersey office of National Casualty, of which Alexander Grenier is manager, will be held in Newark July 8, attended by agents in northern New Jersey.

"It would seem that while binders are frowned upon, some method could be used by which the insurance would be applied for and I trust that this will be done," he declared. "The local agents certainly are to be considered and they should have a fair opportunity to take care of their own clients before the banks insist on taking out blanket policies."



## Cincinnati Agents Parley Treats Current Topics

CINCINNATI—The one day sales congress held jointly by the Cincinnati Fire Underwriters Association and Ohio Association of Insurance Agents last Monday was a huge success. More than 400, the largest attendance in many years, heard John H. Egloff, supervisor of agency field service of Travelers, explain comprehensive liability insurance at the afternoon session.

Karl D. Dakin of Lebanon, president of the Ohio association, spoke at the luncheon meeting, telling of the work being done to strengthen the Ohio financial responsibility law. Efforts are being made, he said, to have it similar to the New York law, but with certain variations. New York requires application of the law to all involved in an accident while it is expected by Mr. Dakin that the Ohio set up will not be quite so strict in this respect, probably by not making application of the law mandatory until a suit is filed. The Ohio association has a special committee working on this, under the chairmanship of George E. Corby of Cleveland.

### Egloff Explains N. Y. Law

The New York law was explained in detail by Mr. Egloff at the noon session, who stressed its strictness, emphasizing the fact that anyone involved in an accident loses his registration and right to drive and that even his car cannot be registered in New York until he has proved financial responsibility. Stating that the law is of utmost importance to everyone who drives, Mr. Egloff mentioned some of the real teeth it has, including the mandatory provision that the commissioner "shall suspend" and that it applies not to the second or third but to the first accident. It is not necessary for the parties involved to initiate legal action, rather it is the duty of the commissioner to do so within from ten to 45 days after receipt of the report of the accident, he stated. Pointing out that a suspended car cannot be sold or transferred without the commissioner's approval, he declared that in the first four months of 1942 there were almost 30,000 suspensions or revocations of license—and the number suspended under the new law was some 17 times greater than under the old law last year.

Opening up on comprehensive liability immediately after the luncheon, Mr. Egloff emphasized that comprehensive while new was not mysterious but did require a very difficult method of selling that will probably change the whole concept of merchandizing liability insurance. In the future it will be sold almost entirely as a whole and not in parts as heretofore, he prophesied, because comprehensive eliminates the question of which contract covers the accident. In presenting comprehensive, say it covers all "but this and this" and not just that it covers "this and this" and sell coverage for needs, he recommended.

### Prospects Are Numerous

Every buyer of liability insurance is a prospect for comprehensive, Mr. Egloff maintained. Knowledge of needs will play a most important part in future successful salesmanship, he continued, and the agent's job is to find the many needs for the prospect. Study insurance through needs and then find the coverage for these, he urged, stating that this was very important in the sale of comprehensive. If this prospect elects to eliminate a coverage make sure he understands it is out, he added.

Explaining how he works, Mr. Egloff

## Scott Confers with Iowans on Educational Program

DES MOINES — Commending the Iowa Association of Insurance Agents for its educational program with establishment of four schools under the 100-hour courses, George W. Scott, educational director of the National association, conferred with Iowa officers and field men while en route to Minneapolis to attend the convention of the National Association of Insurance Women.

He said that Iowa is in advance of other states in setting up the schools and that so far seven states have schools under way. Much interest, he said, is centered on the first schools in that problems arising can be corrected for those starting this fall.

Leon Morse, Council Bluffs, president of the Iowa association, reported that the Cedar Rapids board has started an eight-hour inland marine course, making the fourth school in the state. Others have been started at Des Moines, Cedar Rapids and Ottumwa. He said the Iowa schools have received 100 percent cooperation from the field men and companies, with the Iowa field men serving as discussion leaders.

### Discuss County School Plan

Mr. Scott also discussed with the Iowa men problems in connection with county schools to be sponsored by county boards in Iowa this fall. The Iowa association expects to start one or two county schools this summer and use the experience in starting out this fall with the other schools.

Charles Smith, Des Moines, chairman of the educational committee of the Iowa association, presided at the meeting. Representing the field men were A. E. Holt, Aetna Fire; Lee Taylor, Commercial Union; Cornelius Smith, Springfield F. & M.; W. K. Hankinson, National Fire, all of Des Moines; Gordon Church, North America, Omaha, and D. Wesley Barnes, U. S. F. & G., representing the casualty and surety agents.

Local agents in attendance in addition to Messrs. Morse and Smith were John Cutter, Shenandoah; H. C. Brown, Mason City; Richard Bell, Atlantic; C. D. Friday, Osceola; B. C. Hopkins, Phil Jester, Ivan Anton and Wayne Daily of Des Moines.

### Denver General Agent Quits

DENVER—After 35 years in the insurance business in Denver, the W. S. McClain Agency Co., general agent of Indemnity of North America and the Employers group, is discontinuing business July 1. Garrett-Bromfield & Co. will become general agent of Indemnity and the Insurance Agency of Colorado, headed by Tracy C. Heatwole, will take over the general agency of the Employers group. Robert W. Byrne, who has owned the McClain agency since 1939, will join the special risk department of Indemnity of North America at the home office.

showed how he uses a large pencil and a large pad of paper and insists on taking down three or four full pages of notes before attempting to close. This often takes an hour and a half and conferences with several different people, he said. Don't worry about the premium, sell the necessary survey first, and do the worrying about the coverage, he recommended. It's often harder to get agents to present comprehensive than to get the prospect to take it, he concluded, pointing out that it requires salesmanship but that this fact is a good thing for every real agent.

A lively open forum discussion of war damage insurance, led by West Shell, president of the Cincinnati association, and J. F. Schweer, secretary, who both answered many questions put to them from the floor, closed the day's most successful sessions.

## Late Fire News

### South Carolina Returns Show 16 Percent Increase in the Fire Premiums

The stock fire and marine premiums in South Carolina last year amounted to \$8,660,464, as compared with \$7,586,008 in 1940, or a gain of \$1,074,456. The mutuals report \$2,519,282 in 1941, a gain of \$556,696 over 1940. The total premiums were \$11,179,746 in 1941, a gain of \$1,631,152. The stock company losses in 1941 were \$3,769,593, compared with \$4,430,846 the year previous. The mutuals had losses of \$690,577 as compared with \$958,088. The total losses in 1941 were \$4,460,170, they being \$928,764 less than the year before.

Secretary H. A. Brown of the South Carolina Association of Insurance Agents states that while the fire premiums increased 16 percent and the losses dropped about 20 percent this was because of an improvement in miscellaneous fire lines, while general and automobile fire premiums increased the paid losses amounted to about the 1940 figure.

### Hold Panel at Santa Ana, Cal.

The Insurance Exchange of Orange county, Cal., at a dinner meeting at Santa Ana heard a panel discussion on "When Our Business Is Questioned," led by Paul Ragan, special agent Hartford Fire, and V. S. Kerans, state agent Corroon & Reynolds. M. E. Beele, Anaheim, and Frank Crooke, Fullerton, participated. Herbert Semmelmeier, manager of public relations Pacific Board, attended.

### Interest Shown in Denver

DENVER—While the possibility of invasion or other war activities seems remote in this inland Rocky Mountain region, except in towns where defense plants are located, there are many large property owners who consider it good business to carry this new form of protection, particularly since the cost is so small.

It was a long time before people generally appreciated the importance of windstorm and hail insurance in the Mountain states, but when the public came to realize that storms do often strike in communities supposed to be far removed from destructive storms they purchased this form of insurance. Agents feel that war damage insurance will likewise become popular.

### Large New York Block Sold

NEW YORK—C. F. Noyes, a leading real estate agent, has acquired from the Reinsurers' Underwriting Corporation of which the late Sumner Ballard was owner, 17 buildings, comprising nearly the entire block bounded by Beekman, Pearl, Ferry and Cliff streets. This site was considered by insurance interests a number of years ago as the place for a central insurance building, similar to the Insurance Exchange of Chicago.

### Two Ga. Commission Candidates

ATLANTA—Two candidates are in the field for comptroller general of Georgia, among whose duties is that of insurance commissioner. Homer C. Parker, incumbent, and E. B. Dykes, Vienna, Ga., attorney and one-time president of the state Senate, have announced as candidates. Thus far neither Commissioner Parker nor Mr. Dykes has issued any statement of policy with respect to the insurance department, nor is any expected until after the close of entries in the Democratic primary July 4.

### Meet July 1 at Libertyville, Ill.

A district meeting of the Illinois Association of Insurance Agents will be held July 1 at Libertyville. Otto Boehm will be chairman, assisted by L. C. Ray, both of that town. Merle Read, Joliet,

## Indemnity Plus Given by Well Equipped Policy

DETROIT—Milton W. Mays, director of the Business Development Office, gave a constructive analysis of the services rendered by the insurance company and the local agent entirely aside from the indemnification feature, in addressing the annual meeting of the National Association of Building Owners & Managers here.

Mr. Mays said that the insurance business has probably been guilty of emphasizing the "promise to indemnify" almost to the exclusion of every other feature of the insurance transaction.

Of course, the promise and ability to pay are the backbone of insurance and without them insurance does not exist, he pointed out, but the services of the local insurance man are highly valuable. He is the man who analyzes the insurance needs of the customer and acquaints him with the hazards to which he is exposed so that if he is caught with an uninsured loss he at least will have had warning of his exposure to it. He makes certain that the customer receives the benefit of the latest and best forms of cover and the lowest rates to which he is entitled. He is the man who advises the customer and acts as his personal representative in the event of a loss. He is available 24 hours a day to counsel with his clients on any matters pertaining to insurance.

The local agent receives a commission which averages less than 25 percent and out of this he must pay rent, light, heat, office salaries and all overhead. By comparison with other businesses, he said, the compensation the local agent receives is not out of line especially when it is considered that his remuneration is not only for selling the insurance but for servicing the account throughout the life of the policy. When the local agent sells a policy his obligation to the customer is just beginning. He is paid in advance for service throughout the term of the policy. His obligation is not discharged until the last day of the policy term.

Mr. Mays touched upon "other accessories that go with a fully equipped insurance policy." He pointed out that the capital stock fire companies have for many years maintained a central clearing house for information upon fire resistive building construction and similar technical subjects. He pointed to the many services of the National Board and the policyholder is getting a participation in every constructive and worth while conservation and loss prevention measure sponsored by his insurance carriers for the comfort, safety and well being of himself, his wife and his children, at home, in school, in a hospital, in church or wherever they may be. "He is getting an insurance policy with full equipment," Mr. Mays said.

### Lebby Leads Two Companies

W. E. Lebby of Los Angeles, California manager of Massachusetts Indemnity and general agent of the commercial department of General Accident, in May led all Massachusetts Indemnity agencies and also holds the same place with General Accident for the month and for the year to date.

### Many N. J. License Revocations

TRENTON, N. J.—Drivers' licenses revoked the first five months, the motor vehicle commissioner reports, totaled 7,464, of which 3,932 resulted from automobilists failing to comply with New Jersey's financial responsibility law.

vice-president of region 2, is supervising the meeting.

Robert R. Appel, partner in the local agency of Klein & Appel, Louisville, has been appointed a first lieutenant in the army air corps for administrative duties.

## ACCIDENT AND HEALTH

### A. & H. Handbook Ready Next Week

The new "Handbook on Accident & Health Insurance" prepared by a special committee representing both the Bureau of Personal Accident & Health Underwriters and the Health & Accident Underwriters Conference went to press this week and copies will be available next week.

The 44-page booklet which is being published by THE NATIONAL UNDERWRITER will be on sale at both the Chicago office, 175 West Jackson boulevard, and the New York office, 123 William street. Copies sell for 50 cents each with special prices on quantities.

Although the main objective of the handbook is to provide those taking the New York state agents' license examinations with basic information concerning accident and health contracts, underwriting and the handling of claims, many companies are planning to use copies for educational purposes among agents in all states. The booklet was designed with the idea that it can be adapted for use in other states where license examinations are required by revising the material devoted to New York state laws.

The handbook is the result of intensive work by a joint committee of experts and the material has been carefully compiled to present a clear but comprehensive picture of the accident and health business. Both Ralph M. Brann, secretary-treasurer of the bureau, and Harold R. Gordon, executive secretary of the conference, contributed considerable time in preparing the booklet.

### Invite All Companies Into War Risk Pool; Policy to Be on Market Aug. 1

The civilian war injury policy which is being promoted by the Health & Accident Underwriters Conference on a pool basis is expected to be on the market by Aug. 1, it was announced following a meeting of the permanent committee in charge of the plan in Chicago.

Full details of the reinsurance or co-insurance agreement, some of which still have to be worked out, and the exact plan of operation will be available shortly for final approval of the committee and submission to the companies.

It has been decided to extend invitations to all companies authorized to write accident and health insurance, whether conference members or not, to participate in the pool. If the pool is over-subscribed, prorata cuts in the number of units allowed to each company will be made. The physical setup of the pool will be determined largely by the number of participating companies and the share of the risk which each chooses to assume. Sub-committees, within the permanent committee, will be named to administer the funds, act upon claims, handle publicity and take care of other details which may present themselves.

It was suggested that a standard application be used and that the reinsurance agreement bind companies to stay within definite and specified limits in their advertising and promotion of the plan. Since the policy is to be offered without age or occupational limit, there will be no underwriting problem, but in order to avoid the possibility of misrepresentation, the permanent committee will reserve the right to lay down rules of ethics and procedure.

### Forker Speaks in Los Angeles

LOS ANGELES—At the June meeting of the Accident & Health Managers Club of Los Angeles, F. B. Alldredge, recently appointed general agent of Occidental Life at Stockton, who previously had been named chair-

man of a committee to consider a request from the San Francisco club relative to supporting medical payment legislation that may be introduced at the next legislature, made a report, recommending that the club take a favorable attitude should the measure be introduced. The club approved the report.

Floyd W. Forker, sales promotion manager of Pacific Mutual Life, spoke on "American Business Is Meeting War Conditions." He held that the insurance business is more to the fore than ever since the war broke out.

This country, he said, has been built on production. It can produce and is producing. Materials are coming off the production lines in staggering volume, to prepare for a larger army. They are coming off the production lines in terms of win the war and to provide for after the war. Insurance, he said, has a recognized part in this war effort.

### Amos to Salt Lake City for Cal.-Western States

E. W. Amos, for the past five years superintendent of the accident and health department of California-Western State Life at its home office, has been appointed manager in Salt Lake City. He was for many years agency director of the accident and health department of Massachusetts Bonding in Los Angeles prior to his connection with California-



E. W. Amos

Western States and the largest agencies of that company.

Margaret Martin has been promoted to secretary of the accident and health department.

### Commercial New Business Shows Considerable Slump

There has been considerable of a slump in production of new commercial accident and health business in recent months, the decrease reportedly running as high as 18 percent for at least one company. It is attributed primarily to the general dislocation in business, with many men going into the service and others taking up new lines of work. Many former white collar men now have taken defense jobs, putting them in classifications where they are no longer regarded as attractive risks by the regular commercial companies. However, renewals are reported to be holding up very well in spite of business conditions.

One of the larger companies reports that the number of new contracts sold this year is considerably below last year, but that capital accident policies sold to wives and children show a 20 percent increase, which indicates that agents who are not going after their present policyholders for coverage on wives and children are missing a good bet.

Many of the monthly and quarterly premium companies are showing very satisfactory increases in new business this year. This is attributed in part at least to the fact that they probably are getting more of the new business on men who are now employed at higher wages in war industries than are the commercial companies.

Group business also is expected to show a good increase again this year, due not so much to the writing of new cases as to the bringing in of thousands of additional employees under contracts of big employers which have built new plants or taken over those formerly op-

erated by smaller concerns in order to care for their increased production under the nation's war program.

### Illinois Mutual Home Office Girls Stage Campaign

In its 10th annual girls week campaign Illinois Mutual Casualty secured 325 accident and health applications. Every year the home office girls directed by Miss G. P. Edwards, secretary, take over the production of business for a week. Attractive and stimulating sales messages are sent out. The girls prepare the ideas, mimeograph and hand color the bulletins. As a result the campaign is always well received by the agency force as the promotional pieces are outstanding in originality and design.

### Milwaukee Seeks National Meet; Paddock President

MILWAUKEE—Richard L. Paddock, assistant secretary of Time, has been elected president of the Accident & Health Underwriters of Milwaukee, succeeding Herbert R. Adams, Old Line Life. A. A. Veitenhaus, Dick & Reuteman Co., and Jack C. Windsor, Connecticut General, were reelected vice-presidents; Raymond O. Hansen, Provident Life & Accident, treasurer, and Leo E. Parkard, Loyal Protective Life, for a sixth term as secretary. Directors are H. R. Adams, retiring president; Gilbert Diehl, Business Men's Assurance; Arthur Lytele, Massachusetts Protective; Harry W. Melander, North American Life & Casualty; Clifford Raisbeck, Great Northern Life; E. H. Mueller, Pacific Mutual, and Stanley Olyniec, Washington National.

The election was held at the dinner concluding the annual field day at Tuckaway Country Club, which included a golf tournament and other sports events. About sixty attended.

The Milwaukee group voted to extend an invitation to the National association at the Detroit convention June 29-30, to hold its 1943 convention in Milwaukee. A large delegation plans to attend the convention and Secretary Packard is furnishing details on special travel arrangements. In addition to the convention bid, the Milwaukee association men also want to pay tribute to their fellow member, Clyde E. Dalrymple, Preferred Accident, who will complete his term as president of the national group.

### Leading Producers' Group to Complete Organization

A feature of the Detroit convention of the National Association of Accident & Health Underwriters will be a session of the Leading Producers Round Table at 4 p. m., June 29, with George L. Dyer, Jr., general agent of Columbian National Life in St. Louis, first vice-president of the National association, presiding. A preliminary session was held at the mid-year meeting in Kansas City and a permanent organization will be effected at the Detroit meeting.

To be a member of the Leading Producers an applicant must:

1. Certify he is a member of the National Association of Accident & Health Underwriters or that he will become a member.
2. He must be certified to the National association by his home office.
3. If a field man, he must have in force at the time of his certification at least \$12,500 in accident and health premiums.
4. If a general agent, he must have in force in his agency at the time of his certification at least \$25,000 in accident and health premiums.
5. He must maintain an average claim ratio over a three-year period and must give proper service to policyholders.
6. He must maintain a reasonable standard of persistency in renewal business in second and third years. (Group

accident and health business shall receive credit for 10 percent of premiums. No group case, regardless of amount, shall count for more than \$2,500 in premiums.)

A special invitation is being sent to those certified, inviting them to attend the Round Table session June 29.

### Find a Fertile Field

A number of life agents and other producers that are working among defense and war industry employees are finding a splendid market for health and accident insurance. Many of these are getting good wages and very frequently will take an accident policy covering all accidents even though the workmen's compensation act applies in case of occupational injury. They desire complete coverage. Inasmuch as a worker's time is exceedingly valuable these days, the argument for health and accident is appealing.

### Plan for Canadian Health Cover

The general council of the Canadian Medical Association, in response to an appeal from the federal government, at its session in Jasper, laid down several principles it felt should be embodied in any health insurance plan in Canada:

1. All insured should be allowed to choose their own doctors.
2. Administration of the insurance should be under independent health insurance commissions.
3. Indigents should be cared for under the scheme, with their premiums paid by the government.
4. The plan will be compulsory for those whose income is lower than would allow for adequate medical care.
5. The scheme would provide for additional specialist service.
6. No economic barrier should be interposed between doctor and patient.

### Pierpont New Head of T.P.A.

ST. LOUIS—M. G. Pierpont of Baltimore was elected president of the Travelers Protective Association at the annual meeting here. He succeeds Jack E. Laramy of Grand Rapids, Mich. J. Edward McKeown of St. Louis was named first vice-president.

One of the chief convention discussions was on the effort of the association to secure priorities for traveling salesmen as a group for automobile tires and tubes and gasoline "in order that industry and employment may not be entirely stagnated."

### Bruen Joins Combined Mutual

John F. Bruen has been elected treasurer of Combined Mutual Casualty of Chicago. He has been in the public accounting business for a number of years.

### N. H. Association Elects

MANCHESTER, N. H.—The New Hampshire Accident & Health Association has elected the following officers: President, Ray S. Plummer; vice-president, Remi Plourde, and secretary-treasurer, J. Emil Houle, all of Manchester.

### Barrett St. Louis Speaker

At the last monthly meeting until fall of the Accident & Health Underwriters of St. Louis, June 25, Robert J. Barrett, superintendent accident and health department General American Life, will speak on "How to Get the Job Done."

The election of officers of the Accident & Health Underwriters Association of Newark, which was to have been held June 18, has been postponed indefinitely.

Fourteen agents of the Toledo, O., branch of Travelers qualified for a three-day outing and conference at Sage Lake, Lupton, Mich., June 24-26, on the basis of a three-month campaign for life and accident insurance.



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LOS ANGELES

## CHANGES IN CASUALTY FIELD

### National Agency Is Named Illinois General Agent

National Insurance Management Agency of Chicago has been appointed Illinois general agent by General Transportation Casualty & Surety of New York. The agency will enter the workmen's compensation field on a liberal dividend basis and also will write general liability lines in the Transportation.

### Rounding Out Facilities

National Insurance Management Agency has operated both fire and casualty-wise in Illinois and other middle western states for several years, and now is rounding out its facilities in strong participating stock companies.

The agency has had a splendid growth in its three years of operation in Chicago territory and is writing a premium volume of well over \$500,000 this year.

The management is under personal direction of Norman Thomas, who for many years has specialized in transportation insurance. P. C. Baylor, president of the agency, maintains several agencies and is widely known. He is dividing his time between the Chicago, Burlington, N. C., and Kansas City, Mo., agencies.

### S. M. Fraser Takes Mich. Preferred Accident Post

Stanley M. Fraser has joined Preferred Accident as special agent in Michigan with headquarters in Detroit. For the past several years he has been special agent in Michigan for Massachusetts Bonding and prior to that was in the field for Commercial Casualty. His earlier experience was with Travelers. The Michigan territory is under the jurisdiction of the Chicago office, of which Walter Clanahan is manager.

### Madigan Bond Manager of Maryland Casualty in N. Y.

John P. Madigan, assistant manager of Fidelity & Deposit in the New York office, has resigned and has been appointed bonding department manager in the New York office of Maryland Casualty, effective July 1. He succeeds R. J. Hill, Jr., who resigned recently to join the S. A. Healy Company.

Mr. Madigan has been in insurance at New York since 1925. His father was J. G. Madigan, vice-president of Union Indemnity in charge of the New York office. John Madigan started with Union Indemnity in 1933. After securing a law degree at Fordham, he became connected with a Brooklyn law firm. In 1934 he became associated with the New York office of Fidelity & Deposit as manager of the bankers blanket and fidelity bond department. In 1939 he was made assistant manager of the New York office of F. & D.

### McNeil St. Louis Manager

C. W. McNeil, Columbus manager of American Surety and New York Casualty, has been transferred to St. Louis as manager. He is succeeded in Columbus by Charles S. Maxson, who has been manager in Toledo. Mr. McNeil has been manager of the Columbus agency since 1938 and before that was assistant manager under George Ainslie, Jr., who was transferred to the home office.

### Keller to Detroit for Maryland

John T. V. Keller, resident manager of Maryland Casualty in St. Louis is being transferred to Detroit as resident manager there. He has been with the Maryland's organization in St. Louis for many years. The St. Louis court of Cat's Meow of which he is a charter member and former head, is giving him a farewell luncheon Thursday.

permit them to continue to drive.

Mid-Continent Mutual was organized in 1939. Offices are at 161 West Wisconsin avenue, Milwaukee. Other officers besides Kambe are C. M. Kindt, president; H. L. Mount, Milwaukee attorney, vice-president, and M. J. Maxon, treasurer.

As of last Dec. 31, Mid-Continent Mutual had \$65,260 assets, \$7,328 surplus to policyholders, \$90,374 net premiums in 1941, \$161,596 total income, and \$57,249 incurred losses including adjustment expense.

### Wolverine of Lansing to Enter New Fields

Wolverine of Lansing, which has been exclusively an automobile company, is contemplating an expansion at this time. It will start writing comprehensive liability, burglary, robbery, bicycle insurance and accident insurance for the bicycle rider as well as a general accident policy. It is also contemplating entering Illinois.

### General Casualty to Madison

MADISON, WIS.—General Casualty, formed in 1933 as successor to Wisconsin Automobile in Monroe, Wis., has moved all its home office equipment and about 25 employees from Monroe to Madison. A new building has been completed here at 123 East Wilson street. William B. Roys, president, and several other officers of the company have maintained Madison offices for some time. P. N. Snodgrass, secretary, has come here from Monroe. Herbert Johnson, with the company for five years, will remain in Monroe as manager of the local claim office. General Casualty is licensed in Wisconsin, Illinois, Minnesota, Iowa and Nebraska. Originally writing automobile casualty lines only, earlier this year it added new public liability, burglary, plate glass and automobile accident insurance.

## COMPENSATION

### Industrial Deaths Rise Sharply in First Five Months

Accident deaths sharply increased in the first five months this year, according to reports to state industrial commissions, it was announced by the National Safety Council. Expanding employment and increasing tempo of wartime industrial production were basic factors in the rising accident toll in 23 states whose industrial commissions report monthly to the council.

For the five-month period accident deaths reported in these states numbered 3,555, or 12 percent increase over the same period of 1941. The May total was 781, 11 percent above May, 1941. Most of this increase resulted from West Virginia coal mining accident deaths. If these were omitted, the indicated increase for May would be only 2 percent.

Among the predominantly industrial states which report to the council, Minnesota had the largest five-month increase over 1941, 68 percent. The increase in Pennsylvania was 26 percent, New Jersey 18 percent, Illinois 17 percent, Massachusetts, 8 percent; New York and Ohio, each 6 percent. West Virginia showed 53 percent rise; Washington 49 percent, Alabama 39 percent, Tennessee 33 percent, Georgia 31 percent, Kentucky 9 percent, Texas 1 percent.

### Ohio Fund Reduces Rates

Premiums of the Ohio compensation fund will be reduced an average of 10.3 percent July 1. Decreases were ordered

in 225 classifications. The commission announced that "greater employment due to the war industry has increased premium payments more than claim cost obligations have risen."

## ASSOCIATIONS

### Speakers Work Praised

LOS ANGELES—The directors of the Casualty & Surety Field Men's Association of the Pacific Southwest adopted a resolution of thanks to R. P. Wilkins of the Fireman's Fund Indemnity, and F. T. Homer, Hartford Accident, for their work in providing speakers for various insurance organizations.

President John Sherman named a nominating committee to select a slate to be voted on at the first fall meeting Sept. 21.

### Milwaukee Adjusters' Outing

Seventy-five members and guests of the Milwaukee Casualty Adjusters Association attended the annual outing and golf tournament at Ozaukee Country Club. Erving Fischer, Employers Liability, Milwaukee, was crowned golf champion of the association when he scored 82 gross to outstroke a field of some 35 entrants. Lunch was served at noon and prizes were presented at dinner. The next meeting will be Sept. 14.

### Award to Newark Youth

John H. Nolan, president of the Casualty Underwriters Association of New Jersey, presented a \$25 war bond to Udore Malone of the 18th avenue school, Newark, who pulled two children from the path of a truck, and saved their lives. The association presents a gift each year to some school boy or girl for a meritorious act.

## NEWS OF THE CASUALTY COMPANIES

### Duel Acts to Take Over Mid-Continent Mutual, Substandard Risk Writer

MILWAUKEE—Agents of Mid-Continent Mutual, Milwaukee, have been notified by Commissioner Duel that under Sections 200.09 and 200.08 of the Wisconsin statutes he has taken possession of the mutual and that premiums or other funds of the company should be sent him.

All outstanding policies are cancelled as of June 17. Assured must obtain protection elsewhere if insurance is required or desired.

It is estimated that an assessment of 15 to 30 percent will be required to pay all claims incurred but unpaid to date. The exact amount of the assessment will be fixed and ordered by the Milwaukee county circuit court, the commissioner states.

### Held \$20,000 Short

John R. Lange of the Wisconsin department took possession of the mutual on order of Commissioner Duel on grounds of imminent insolvency. Mr. Duel disclosed that he had ordered the mutual to obtain \$20,000 in cash about 40 days ago to correct a condition of imminent solvency, but officers said they would be unable to raise such a sum unless they were permitted to collect "a small voluntary assessment" from policyholders. Mr. Duel rejected the assessment because of the company's financial condition, pointing out that the company's officers had themselves put about \$25,000 in cash into

the company on three different occasions since its founding at the insistence of the insurance department. Mr. Duel said the court would be asked to declare the mutual insolvent.

### Will Seek Assessment Order

According to Elmer Kambe, secretary Mid-Continent Mutual, the company will ask the court's permission to levy an assessment of about 25 percent to rehabilitate the company and provide the required surplus. Many policyholders, Mr. Kambe said, have indicated willingness to pay an assessment to keep the mutual going so they may continue to drive. About 80 percent of the business is composed of financial responsibility risks, the mutual specializing in substandard risks. According to Mr. Kambe, the mutual's rates are considerably higher than companies writing standard risks, but weren't high enough to meet expenses and maintain the statutory reserves. Policyholders would have to surrender their drivers' licenses if the mutual was liquidated, unless they could post bonds or cash to meet financial responsibility law requirements, or get other insurance. Most other companies will not write motorists who have had licenses suspended and cannot be reinstated as drivers until they furnish proof of responsibility. If the \$20,000 can be raised, that may satisfy the court that it can resume operations, Mr. Kambe said. Petitions have been sent to agents by the mutual for signatures of policyholders, who are threatened with loss of their driving rights, requesting the court to permit the voluntary assessment to prevent liquidation and

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## War Damage Setup American Way of Doing Job

(CONTINUED FROM PAGE 2)

ance to the fiduciary agent. He said that the expense is there but it doesn't look good and perhaps this cover should be handled for the small property owner for less and perhaps even for nothing.

It may be an oversight, Mr. Smith said, that provision is not made for the insurance by special description of real property which is not a part of a structure or building. If the need for it arises the rules will probably be changed. The normal exclusion of any real property which is not a part of a structure or building was made in order to avoid the inclusion of ground value for coinsurance purposes but he pointed out that some very serious losses result from damage to underground piping and electrical installation.

The insuring clause of the policy, Mr. Smith pointed out, is somewhat limited. The words do not cover damage arising from action of the armed forces of any ally of the United States, such as Canada. They don't cover normal training or routine operations of the U. S. forces, that is unless the War Damage Corporation adopts a liberal interpretation of what is meant by the words "resisting enemy attack." They don't cover the explosion of munitions while being transported by truck or rail or stored in warehouses or on docks unless in the possession of troops resisting an enemy attack.

Much of Mr. Smith's talk was of a factual nature, setting forth the provisions of the War Damage Corporation setup with which most of the insurance people have now become familiar.

### Purely Speculative

In leading up to his subject, Mr. Smith said that through the years insurance companies have considered that risks of war were not insurable. The transaction of a regular war indemnity business is purely speculative and an insurance company would be in an unfortunate public position with either good luck or bad luck. If high premiums were charged and no losses occurred the companies would be considered as profiteers. On the other hand, under real war conditions the losses are catastrophic and beyond the financial ability of any insurance company. The spreading of the loss among the people seems to require the resources and functions of government.

In connection with the war damage exclusion in the extended coverage endorsement, the most frequently asked question is whether a loss is covered if a military airplane while in training operations or on routine flights, should fall or if objects should drop therefrom. A literal construction of the exclusion, he said, would seem to indicate that all military airplanes are now engaged in hostilities and he said his guess is that the companies will interpret the exclusion somewhat liberally in the event these losses are not too serious and in the event there is not an actual land invasion of the country.

### Boiler and Machinery

Workmen's compensation policies contain no war risk exclusion and so if the employer is liable the insurance company will pay. Whether the insurance company will pay or whether a self-insured employer will pay will depend on the circumstances as to whether the injury can be said to be one arising out of employment.

Plate glass policies don't now include a war risk exclusion and so breakage from any cause is covered. This condition may be changed by the addition of a war risk exclusion.

Boiler and machinery policies have no war risk exclusion but except for the "cracking" coverage the only damage



VIEWS AT INSURANCE COMMISSIONERS' MEETING IN DENVER, PICTURES BY H. H. FULLER, DEPUTY U. S. MANAGER OF ZURICH:

John A. Lloyd of Ohio, new chairman of the executive committee; Superintendent Julian of Alabama; Superintendent Scheufler of Missouri; H. N. Morin, who is retiring as commissioner of Rhode Island, and Williams of Mississippi, the new president.



paid for by these policies is that arising from internal pressure and causes. However, a damaged building or piece of equipment may place a strain on a boiler or machine that may induce an explosion. Cracking due to a bomb explosion or to the collapse of a building would appear to be covered under those policies which do include "cracking" coverage.

Automobile liability and general liability insurance contain no war risk exclusion but policies insuring the automobile itself do have an exclusion.

The inland marine policies have war exclusions.

Mr. Smith said that the insurance companies will no doubt pay for a good many losses that occur due to war and the probabilities of this are amplified by the fact that it will be difficult to tell frequently just whether a given loss was occasioned by an act of war or came from some other cause. Even where war damage is excluded in a fire policy it may be very hard to tell whether a certain fire was the result of an incendiary bomb or of an act of war or whether the proximate cause was the ordinary hazard insured against.

Mr. Smith also touched on the war damage indemnity scheme in England and he discussed the possibilities for handling personal war injuries suffered by our own people. He predicted that the Pepper bill now under consideration will probably pass in some form.

### Wisconsin Field Groups Have Annual Reunion

(CONTINUED FROM PAGE 2)

less of individual benefits to members and their companies. He also asked for more active support of the forum work, which provides speakers for agents and general business organizations. After a year of trial, the new balance rule is proving worth while, he said, but it must be enforced strictly and by all companies, because the dislocations caused by the war effort make the credit situation of utmost importance.

E. A. Miller, Chicago, western department automobile superintendent Providence Washington, and R. G. Tanger, Chicago, western marine manager Security of New Haven, were guests of the field men.

Paul W. Oliver, Chicago, inland marine manager Dubuque F. & M., and J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, spoke before the Wisconsin and Illinois Field Clubs.

Mr. Oliver said that too many fire companies have left inland marine production largely in the hands of a few young specialists, but that company sentiment is changing and the day is fast approaching when a field man will be responsible for all premiums in his territory and marine premiums will have just as much weight as fire premiums in determining his value to his company. He reviewed the personal property floater, pointing out that the whole story is quickly told by three expressions, "all personal property," "while in all situations" and "all risks." Mr. Oliver also

said it is quite likely that limited forms, with low minimum premiums, will continue to develop.

Mr. O'Connor reviewed the policy and rules of War Damage Corporation and the events which led up to the formation of the government corporation and its plan. He emphasized the necessity of urging agents to notify every prospect and contact of the availability of this coverage, saying that the political repercussions on the entire insurance business would be serious if enemy attacks cause damage and it develops that a material number of sufferers did not know that they could buy insurance. A spirited open discussion followed Mr. O'Connor's talk.

L. W. Brown, vice-president, and W. B. Alaback, second vice-president of Firemen's, R. S. Danforth, assistant secretary Millers National, and H. F. Tuerk, Illinois Fire, attended the meeting, as did Fred C. Schad, secretary Western Insurance Bureau.

The meeting adjourned on a high note when H. W. Bailey, Dubuque F. & M., outgoing president, awarded H. E. Miller, Firemen's, the prize for endurance sitting in a porch chair. The trophy was a handsome old-fashioned vessel with a handle, for bedroom use. Robert Wechselberg, Milwaukee Mechanics, and A. P. Riedinger, National Union, were cited as runners-up.

W. H. Berry, America Fore, was advanced from supervisor to most loyal gander of the Wisconsin Blue Goose at the annual meeting.

Other officers are W. L. Phelps, Fire Insurance Rating Bureau, supervisor; T. L. Mulcahy, National Fire, custodian; O. C. Heiam, Western Adjustment, guardian, and Walter Sukow, Travelers Fire, keeper. E. C. Hauser, North Brit- is, was reelected welder.

G. E. Edmondson, Tampa, Fla., general agent, grand keeper, was guest of honor and administered the charge during the initiation. R. A. Kenzel, Milwaukee, Northern of London, grand welder; H. O. Wolfe, Milwaukee attorney, judge advocate, and I. E. Frey, Milwaukee, Firemen's, deputy most loyal gander at large, were other international officers present.

Eli Shupe, Home of New York, retiring most loyal gander, reported on the organization of the Madison puddle. Emblems signifying 25 years of membership in the Wisconsin home nest were awarded to C. H. Dachenbach, R. T. Gravenstine, J. E. Snyder, R. G. Vincent, G. Y. Wilkinson, J. L. Swartout and W. A. Taylor.

### Chicago Branch Office Moves

Republic of Dallas has moved its Chicago branch office from A-2022 insurance Exchange to 1051 in the same building. The quarters are about one-third larger. M. C. Patton is manager. President Hugh H. Gaffney spent about two weeks in Chicago conferring on business development.

Byron D. Williams, group superintendent of Connecticut General Life in the Walter G. Gastil agency, Los Angeles, was married to Miss Frances Eleanor Taylor at the home of the bride in Santa Monica, Cal.

### Oregon Changes on Post Exchange Exposure Charge

PORTLAND—Following the lead of several other Pacific Coast states, the Oregon Insurance Rating Bureau has eliminated exposure charges from dwellings. Specifically rated risks affected by this change, which are in class 9 and 10 locations, may not be rewritten at new rates until rating is published.

The bureau has also published special rates for post exchanges on government property and eliminated the \$100 minimum premium for provisional reporting policies on these risks. The new rates, with 100 percent coinsurance, run from 45 cents to \$1.20 for buildings and from 55 cents to \$1.20 for contents, depending on protection class and construction.

Among other changes, a new rating method is set up for auto camps and cabins, the special provisional policy for hop risks is withdrawn and special rates have been established for flax and flax straw. A new market value clause may be used on finished goods manufactured by the assured, with 90 percent or 100 percent coinsurance. This clause establishes recovery as the price "less all discounts and unincurred expenses, for which said goods could have been sold on the date of the fire had no fire occurred."

### Drop Unauthorized Radio "Ads"

ST. PAUL—The campaign against the advertising of unauthorized insurance companies is making some headway in Minnesota. All Twin Cities radio stations have advised Commissioner Johnson that they no longer are broadcasting the commercials of unauthorized companies.

For the past several years the department has been trying to keep such companies off the air in Minnesota or at least to tone down some of their misleading statements. A few weeks ago representatives of all the local stations met with Commissioner Johnson and agreed to cooperate as much as possible with the department.

### F. & D. Changes in New York

NEW YORK—Henry U. Meyer, who has been with the burglary department of Fidelity & Deposit here for the past six years, has been appointed solicitor for the company.

Charles H. McNamara, formerly with Bankers Indemnity and Glens Falls Indemnity, succeeds Mr. Meyer in the burglary department.

### South Carolina Figures

Stock casualty premiums in South Carolina last year were \$6,337,871, gain \$1,635,897 over the year before for stock companies. The losses were \$2,517,921, increase \$533,308. The mutuals showed \$2,338,722 premiums, increase \$628,621, losses \$104,486, increase \$234,101. Total premiums for 1941 were \$8,676,593, gain \$2,264,518; losses \$3,559,407, increase \$767,409.

## SURETY

### War Department's New Surety Rule

The War Department's new policy on contract bonds is that the commander of corps area will decide whether a bond will be taken or not. It is left to his discretion. The commander usually assigns the job to someone in the quartermaster's department. Therefore, the issue comes now to a selling standpoint.

Surety people have had a number of conferences with Assistant Secretary of War Patterson regarding the bond business. The objection of the War Department seems to be the commission paid to agents, it taking the position that the remuneration is too high for the large bonds. It has been suggested by the war department that the maximum commission be \$1,000 regardless of size of the bond. There is graded commission applying to federal contract bonds but the War Department declares that even this is entirely too high.

It may be that the surety executives will put the matter up to the War Department to get a definite statement as to what will be satisfactory in the way of a rate. Some of the people in the War Department declare that bonds are unnecessary if the contractor is reliable and with careful federal supervision there is very little danger of any sort of a claim to be made under a bond, in their opinion.

Many agents claim that they spend more than \$1,000 in getting a large surety bond. They are compelled to do considerable preliminary work and there is often a split in the commission. They declare that the \$1,000 maximum is a ridiculous figure.

### Object to Cancellation of Contract Bonds

Surety companies have made complaint that the Defense Plant Corporation, a subsidiary of the R. F. C., has canceled some contract bonds after they had been in effect six weeks or so. The surety companies cannot cancel the bonds although the Defense Plant Corporation can. The complaint is made that a surety company will make an investigation of a contractor and if it is satisfied a bond will be issued to him. Thus the Defense Plant Corporation seeing the surety company's report feels that it would be safe in requiring no bond and hence orders the cancellation. A general contractor doing this work is liable for obligations of subcontractors and he desires a bond to be issued. However, the Defense Plant Corporation in certain cases takes the bit in its own mouth.

### Complete Bond Survey in N. Y.

ALBANY—The New York State Conference of Mayors & Other Municipal Officials recently completed a survey of surety bonding practices and experience in this state, for the years 1935 to 1940, inclusive.

### Big Army Projects in Ariz.

LOS ANGELES — Arizona Constructors were low bidders on two army projects in Arizona, with a total price for the two in excess of \$2,000,000. The Los Angeles branch office of U. S. F. & G. wrote the bid bonds for the two jobs.

## PERSONALS

H. W. Lamp, superintendent of the judicial and fidelity department at the head office of Continental Casualty, carried off high honors at the Continental Club's annual outing at River Forest Country Club last week. Mr. Lamp was



PICTURED AT INSURANCE COMMISSIONERS' CONVENTION AT DENVER: Ray B. Lucas, general counsel Kansas City Life; F. W. Weidenfeller and John R. Lange, both of the Wisconsin department.

shooting in perfect form. His score was 85 low gross. His work revealed accuracy and excellent strategy. John Peterson of the legal department was second with 86.

About 75 employees in the Chicago office of Standard Accident enjoyed their annual outing at Hieland Lodge near Kankakee, Ill. Manager V. H. Bartholomew, in addition to seeing that everyone was entertained, managed to capture the honors at golf by turning in the low score.

President M. P. Cornelius of Continental Casualty is spending a couple of months at his summer home in the Flambeau Lake region in Wisconsin.

## DEATHS

W. F. Meek, Sr., 51, general agent in Birmingham, Ala., for the railroad department of Provident Life & Accident, died at his home. He had been in ill health for some time.

E. C. Jamieson, 59, founder and superintendent of the fidelity and surety department at the head office of Accident & Casualty in New York City, died last week after a long illness. He is survived by his widow, a son and a daughter. He was born at Utica, N. Y., and was a graduate of Union College. He was educated as an attorney and entered the insurance business as an underwriter with American Surety. In 1920 he became third vice-president in charge of the fidelity and surety department of Indemnity of North America with offices in Philadelphia. He served in this connection until 1937, when he joined the Accident & Casualty.

### Illinois Field Men Hold Annual Gathering

(CONTINUED FROM PAGE 1)

Mr. Johnson emphasized that with increasing taxes inevitable, field men should keep up their balances. Present conditions make it dangerous not to do so.

Many field men and agents are in service, he said, and called attention to the work of the association in helping get the insurance department to continue agents' licenses in effect for the duration. At the same time there is need of protecting policyholders during their agents' absence, and field men want wherever possible to keep business flowing to their companies as heretofore.

### Committee on Agents in Service

Mr. Johnson himself headed the committee on agents in service. The committee secured approval of the insurance department of a power of attorney that the agent might execute before entering service. This is a recommended instrument, not mandatory. One form is probably enough, he said, if each company signs it, each company taking a photostatic copy for its records. It is not permissible in Illinois to license part time solicitors. However, if the solicitor is a relative or close business

associate of the man in service, it is likely the department will license him.

Mr. Johnson praised the work of the forms committee, headed by D. J. Harrigan, St. Paul Fire & Marine, which was successful in securing a modification of the electrical exemption clause.

### Business Development Work

The Business Development committee, headed by C. F. Daniels of Norwich Union, is cooperating with the

Illinois Association of Insurance Agents in the latter's series of district meetings throughout the state. The committee has furnished several speakers and will furnish more. The committee serves as a nominating committee at the annual meetings, and put up George A. Cassell, Caledonian, as chairman for the coming year. He was elected.

W. B. Carr, Chicago manager of "Time," the weekly news magazine, in his talk strongly advocated optimism and courage on the part of business. The only big problem today is fear, he said. Taxes are high, war has created many other problems, but American business can and will do the job. The post-war period promises to be a prosperous one.

### LAKE DELAVAN BREEZES

The association sent official greetings to members in service. They are Wm. F. Johnson, Hanover; O. G. Bolton, Springfield F. & M.; John Norris, Royal Exchange; H. W. Yount, Eagle Star; X. R. Royster, Jr., Citizens; D. H. De Marcus, Home.

Visitors, all from Chicago, included J. J. Hubbell, resident secretary Security, Conn.; C. W. Soderstrom, manager

## The OHIO CASUALTY INSURANCE COMPANY

Home Office · Hamilton, Ohio

CAPITAL \$1,200,000.00

SURPLUS \$2,473,377.96

ASSETS \$10,665,673.70

Full Coverage Automobile  
Special Automobile Accident  
Fidelity & Surety Bonds  
Plate Glass - Liability  
Burglary

### — Other Offices —

Baltimore - Chicago - Cincinnati - Cleveland  
Columbus - Dallas - Denver - Detroit - Des Moines  
Harrisburg - Indianapolis - Los Angeles - Louisville  
Milwaukee - Oklahoma City - Peoria - Philadelphia  
Pittsburgh - Portland - San Francisco - Seattle  
Topeka



Illinois Inspection Bureau; Earl S. Miller, Illinois Audit Bureau; W. G. Shippe, western general agent New Hampshire; Earl Shaw, Chicago manager F. & G. Fire; F. J. Shields, marine manager National Union; Henry Olson, vice-president of First Bancredit Corporation; R. I. Read, general agent, who is an honorary member of the association, and M. A. Jenks, Western Factory.

**Miss E. E. Edwards**, for many years secretary-treasurer, received a great deal of deserved tribute for her long and able service.

**A. A. Knopp** of New York Underwriters presented a gold watch on behalf of the field men to H. E. Johnson, Jr., Aetna Fire, retiring president.

**Carl A. Morhard**, New York Underwriters, had 50-50 luck at the convention. He won a handsome set of luggage, but suffered a sprained leg in an accident.

The **Underwriters Laboratories** film, "Fighting the Fire Bomb," was shown.

**W. B. Tobias**, the new president, and Mrs. Tobias held open house for field men after the convention closed.

**W. R. Meier**, Security, Conn., headed the president's address committee. This talk is always taken up in detail and acted on.

**John Miller**, Providence Washington, came in on crutches, but disregarded them on the second day. He recently suffered an ankle injury while putting up storm windows.

The father and son combination of J. Lewis Cassell, London Assurance, and George A. Cassell, Caledonian, was very much on hand. J. Lewis, as for many years, handled the golf tournament.

**C. M. "Tony" Wilcox** of the New Hampshire, new executive committee-man, is member of an insurance family. He has two brothers in the business: Roe M., state agent in Missouri for Crum & Forster, and George H., automobile superintendent for Aetna Casualty at Kansas City. George H. is the father of a baby boy, the family's first, who has been named George Brewster.

**A. J. Meyer**, Automobile, handled arrangements for the ladies' bridge tournament.

**Golf winners** were Harry C. Harms, North America, low net; J. S. Schmidt, North America, low gross; R. Y. Dievendorf, Northern Assurance, low putts.

## Home Offices Well Geared to Handle WDC Applications

(CONTINUED FROM PAGE 1)

legal liability might even arise in such a case. Even before July 1, however, it is important to get back the completed policy as fast as possible in order to keep agents and assured happy.

### Suggested Procedure Issued

Companies have been greatly helped by the work of Mr. Crapser's committee. Being closely in touch with the war damage situation, Mr. Crapser made up from the regulation "B" a mimeographed office procedure specifying in complete detail exactly how the war damage material was to be handled from the time it arrived at the home office until it was disposed of. While he made this up for the use of his home office he also supplied copies to all members of the Insurance Accountants Association with the result that many

home offices are using it as a model or as a basis for adaptations.

To take care of the expected rush of business many companies, particularly the larger ones, have set up special departments. One of the difficulties that everyone is having is trying to estimate how many applications will come in and how much of a peak load is to be expected. There are some limiting factors which can be relied on. Even if every assured bought war damage coverage the number of policies would be much smaller than the number of regular insurance policies because ordinarily policies are often split among several agents while a given agent may split a risk among various companies in his office. Furthermore an assured may have several policies with the same company but staggered as to time so as to make premium payments easier. There can be no division of a war damage risk in any of these ways.

### Royal Group's Setup

One of the most elaborate setups that has been arranged is that of the Royal group. The assembly room on the top floor has been turned over to WDC work. There are five men, with

J. A. Munro, manager foreign brokerage department, in charge and some 50 girls to handle the details.

Instead of desks, which would have been impossible to get anyway because of priorities, long work tables were built in the company's workshop. Though each girl has plenty of room to work, it is possible to accommodate nearly twice as many workers as if desks had been used.

The "key" girls, those doing work involving a measure of judgment, have been recruited from the home office while those doing sorting, pasting and similar work calling for no insurance experience have been hired on a temporary basis, most of them being college girls on vacation.

### Can Operate on 24-Hour Basis

The special WDC department is set up on the basis that one war damage policy will be applied for for every 10 regular policies in force but the department can be expanded to operate around the clock if necessary. This would be done by splitting the present staff among the different shifts, pulling in some additional help from the home office, and hiring others from outside.

The Royal group has also set up

similar departments, though on a smaller scale, in Chicago and on the Pacific Coast. Field & Cowles, Boston, will handle the New England WDC business for the Royal, Newark, and American & Foreign companies of the group, the other companies being handled direct from the head office at New York.

The Meserole group's setup is typical of a war damage procedure not involving the establishing of a special department. An estimate was made of the probable minimum number of applications and then the maximum probable number. After estimating the amount of time that each operation would consume it was estimated that even with applications coming in at the maximum rate it would not be necessary for anybody to work more than two hours overtime a day during the peak of the load.

### Method of Sorting Given

As the applications come in they will be sorted according to companies of the group, then according to the 91 divisions representing states, territories, possessions and cities of more than 250,000 population. After the policy is written the various copies are separated.

# IN DETROIT—

## BOOST YOUR PROFITS BY REDUCING YOUR PLATE GLASS LOSS RATIO...

**PETERSON GLASS COMPANY'S SURVEY SERVICE SHOWS HOW YOU CAN DO IT**

You are invited to use the Peterson Survey Service to help your Detroit office or agents quote rates on plate glass insurance risks.

Our files contain reports on over 18,000 Detroit stores. These can be of considerable help to you in reducing your plate glass loss ratio in the Detroit area. On locations not in our files, we will gladly make a survey. You will find our service quick and accurate.

The survey form shown here is that of an actual case giving the complete history of replacements made by us. This data is of real value to you. We invite those companies writing plate glass coverage in Metropolitan Detroit to use this survey service. There is no cost or obligation.

**Cadillac 3707**

Write or phone for complete information

**2833 JOHN R STREET**

**PETERSON GLASS CO.**

**CADILLAC 3707**

LOCATION OF PREMISES: 9830-50 Wyoming Avenue

HOW BUILT: Metal

DATE OF SURVEY: 10/23/41

CONDITION OF PLATING: Good

PLATE GLASS SURVEY REPORT FOR

REPLACEMENTS: See below

NO. OF PLATES	REPLACEMENT	DESCRIPTION OF GLASS
2	68	9830 - Tailor Shop
2	44	fronts
1	22	returns
	58	door
2	76	9834 - Bakery
2	44	fronts
1	22	returns
	58	door
4	62	9838-42 - Grocery & Meat Market
4	44	fronts
2	22	returns
	58	doors
1	124	9846-50 - Beer Garden
1	42	front on Orangelawn
1	22	return
1	43	door
1	87	return
1	86	front
2	72	"
4	44	"
1	22	"

THE FOLLOWING REPLACEMENTS HAVE BEEN MADE AT THIS LOCATION.

Dates	Location	Sizes	Amount
1/18/40	9850	1 - 22 x 58 door	\$ 9.46
2/3/40	9834	1 - 44 x 77 return	15.76
2/17/40	9838-42	1 - 62 x 77 front	22.51
9/23/40	9850	1 - 44 x 77 return	18.25
12/16/40	9834	1 - 22 x 58 door	9.46
12/21/40	9830	1 - 44 x 77 return	22.25
4/5/41	9850	1 - 22 x 58 door	9.46
5/29/41	9850	1 - 44 x 77 return	23.87

**FRONT OF SURVEY FORM**

**BACK OF SURVEY FORM**

DO YOU NEED AN EXPERIENCED SURETY AND CASUALTY BRANCH MANAGER, FIELD MAN OR DEPARTMENT MANAGER?

Age 41, university graduate, wife and two children. Address Q-1, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

CASUALTY UNDERWRITER AVAILABLE

Experienced Casualty Underwriter desires position with branch or home office. Qualified in Managerial capacity. Capable, hard worker, excellent record, age 47, married. Address Q-2, National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

**PETERSON GLASS CO., 2833 JOHN R ST., DETROIT**

rated, one being attached to the policy, the second being the company's daily report, while the third has been kept by the producer as his record.

The tickets, which are detached along a perforated line, are numbered 4, 5 and 6. Nos. 4 and 5 are kept together according to premium groups that is, everything less than \$14.29; \$14.29 to \$20,000; and more than \$20,000. No other sorting is necessary and it is not necessary to separate No. 4 from No. 5. At the end of the month these tickets are sent to the Federal Reserve bank. Tickets numbered 6 are sorted by states and then by month and year of expiration and according to occupancy class code. They are then sorted by producer and filed until the end of the month when producers' fees are paid.

In order to simplify the accounting procedure the Meserole companies use cards showing the 16 occupancy classes. The totals for each occupancy class for each of the 91 codes are filled in on these cards. If the expiration date were different from the rest of the policies made out that day it would be necessary to make out a separate card but ordinarily all expenditures would be the same. At the end of the month it is only necessary to add up the figures on these summary cards.

### RUSH FOR BLANKS

Most of the inspection bureaus that were charged with distributing tabs of applications to producers sent a letter to those on their lists ahead of time, stating that the applications would be available but that they would not be sent out unless specific requests were made. It was thought that many agents in smaller places would sell none of this insurance and that it would be better not to send the forms out promiscuously. Some of the bureaus received an enormous number of requests for applications. For instance, one of the bureaus got a request from a company for 10,000 applications or 1,000 tabs of 10 sets of applications each. Although June 20 was announced as the date on which the applications would be available, some of the inspection bureaus did not receive their supplies until that date. There was an immense amount of work involved in wrapping and mailing the applications.

The companies were faced with a major problem in setting up the machinery for issuing the policies and keeping the records. This work descended on them right in the vacation season. One of the first decisions any company had to make was whether to arrange for branches and if so which ones to act as fiduciary agents. In each company usually one man was made primarily responsible for handling the work and certain assistants were assigned to him

but there were so many inquiries and so many phases of the problem that in the past week it had been a matter to which a large proportion of the executives in every office have given attention.

Many questions of interpretation have come up already and most of the companies are taking the position that they will base their decisions on the exact wording of Regulations A, which contain the underwriting instructions.

### Questions of Interpretation

Some problems in agency relationship have arisen. For instance, company offices that do no direct business and operate as service units wondered whether they should consent to deal directly with "producers" that came to them with applications for war damage insurance. In some places there was sentiment in favor of local boards taking some sort of jurisdiction in the writing of war damage insurance but it is believed that these efforts will not be pursued. There were very few companies, if any, which indicated an eagerness to go out of their way to garner the writing of war damage lines. Most companies feel that although the 3½ percent expense allowance may take care of the actual cost of postage, clerical help, etc., it will leave no margin at all beyond that for allocation of executives' salaries, rent, light, etc.

The anticipation is that there will be a huge volume of the business written at the first blush but that after a few days the applications will fall off to a mere trickle. If there should be a bombing scare sometime in the future then they expect that there would be a new wave of buying.

### Plan for Handling Losses

A proposed plan for handling adjustment of losses that may occur under the War Damage Corporation policy was discussed at a meeting over which Frank A. Christensen, executive vice-president, presided and that was attended by representatives of the Fire Companies Adjustment Bureau, Western Adjustment, Underwriters Adjusting, National Association Independent Adjusters, marine interests, factory mutuals, reciprocals, Federation of Mutual Fire Insurance Companies and National Board. The adjusting facilities of the country were surveyed and steps were taken looking to the submission of a plan of action for approval by the government authorities. The meeting was held over a two-day period.

Mr. Christensen also called a meeting here to sound out sentiment on the question of whether war insurance should be made available for securities. Those attending the meeting were representatives of fire, casualty and surety companies as well as bankers. Mr. Christensen presided. The financial people strongly urged that such pro-

tection be made available. A surety company committee several weeks ago submitted a proposed plan for the granting of such cover, having taken this action at the request of the committee that was then working out the plan of operation for the WDC.

Presumably if securities coverage were made available, its sale would be restricted to assured that maintain complete records of their financial transactions and possess proper facilities for safekeeping of all securities.

Probably the most frequent question on interpretation of the rules that has come up so far is on the classification of buildings according to construction. According to Regulations "A," a building is to fall in Class 1 if it is of fire resistive construction "according to fire insurance standards."

Inasmuch as fire insurance standards vary somewhat from one place to another the underwriters felt that this point was not specifically taken care of by the rules and they anticipated that interpretation will be issued covering this point.

The main postoffice in New York City as well as several branch offices were so congested with material sent from the War Damage Corporation in Washington, that its distribution imposed a heavy burden on delivery men,

and accounted for the fact that companies in other cities secured copies of the policies, regulations, rules and rates before they were obtainable here. By now, however, all entitled to receive the material from the WDC probably have been furnished it.

The Insurance Agents Association of Kansas City sponsored a particularly well designed advertisement on war damage insurance. "There is a staggering job to be done to provide this coverage by July 1," the advertisement reads in part. "Make sure of your own protection and help us, by acting promptly."

The Milwaukee Board of Fire Underwriters sponsored a series of two advertisements on war damage insurance in the daily papers that attracted much attention. These advertisements contained quite a selling appeal. "Don't take chances," one paragraph reads. "Don't sit smugly back and say the war is 4,000 miles away. Remember what happened at Santa Barbara when the Japs shelled the coast. Remember what happened at Tokio and then you will realize it can happen here! Call one of the agents listed below and have him arrange coverage for you right now!"

The class 1 agents in Chicago have been discussing whether to qualify as fiduciary agents. A good many of them have definitely decided not to do so but

## Harmony...for 25 Years



SINCE 'way back when the Old Barber Shop Quartet sang 'Sweet Adeline'... we've been in close harmony with our agents and policyholders—25 years of successful specialization.

Harmony has had a lot to do with our success. Harmony in agency relations, safety engineering service and claim adjustments.

We've always tried to do a better job and to work as close as possible with our agents and policyholders for complete satisfaction and understanding.

Today we are one of America's largest Agency companies specializing in workmen's compensation and attendant liability lines.

Assets exceed \$9,000,000.00.

May we tell you more about it?

**BITUMINOUS CASUALTY CORPORATION**

ROCK ISLAND ILLINOIS



AT COMMISSIONERS' CONVENTION IN DENVER:

T. J. Cullen, New York department, and Charles R. Fischer, Iowa commissioner, and Mrs. Fischer.



at least one, the Critchell-Miller agency, has been qualified and will issue policies.

Managers of the various service offices of the Firemen's group throughout the middle west attended a meeting in Chicago Wednesday at which plans were explained for handling war damage insurance. P. C. Abney, second vice-president, went on from the head office to assist H. A. Clark, western vice-president, in handling the meeting.

Sponsored by the Association of Local Agents of the City of New York, a questions and answers forum on war damage insurance will be held Friday morning. Answers to inquiries as to fundamentals will be made by H. C. Conick, assistant United States Manager of Royal-Liverpool, who was on the committee that worked out the plan, while E. G. Crapser, secretary Pacific Fire, will deal with questions on accounting.

The Perrin Organization of New York advertises its ability to issue war damage policies, having been authorized so to do by Washington.

Up to mid-day Tuesday well over 100,000 application blanks had been supplied by the New York Fire Insurance Exchange to producers. The spare room on the grade floor of the National Board building used as the distributing center, was piled high with blanks in pads of 30 each, additional quantities of which were being brought in from express offices.

#### STRONG MESSAGE TO BANKS

BOSTON—Every owner of a mortgaged home in Massachusetts will be called upon in the next few days to take out war damage insurance for the benefit of the mortgagee, as a result of action taken by Commissioner of Banks Perry.

Perry has sent formal notice to all banking institutions under his supervision to the effect that each bank should carry this insurance on all property to which it has title, whether it be the bank building, insurable contents, or real estate by foreclosure; and that the coverage should be equal to, or at least a very substantial portion of, the bank's estimate of the actual value of the structures involved. "The risk is probably very slight," states the commissioner, "but it would be so inexcusable to be without this protection in the event of loss that it does not seem as though any bank should run that risk."

"The same reasoning," the commissioner states, "applies with respect to any mortgaged premises over which the bank has control, either because the mortgage is in arrears, is overdue, is on demand, or provides that the mortgagor shall insure against hazards other than fire at the election of the mortgagee. A carefully thought out campaign of salesmanship may well result in the purchase of this insurance by your mortgagors without any great pressure but, in any event, you should see to it that the mortgagors obtain this insurance promptly with protection for the mortgagee's interests."

The commissioner advises that the banks take up these matters "with your regular or local insurance agents."

The credit unions are further advised that the war damage coverage may well be utilized to protect loans made on securities and other personal property and that if the borrower does not take out the protection the credit unions should do so at their own expense.

#### Application Forms Being Distributed

(CONTINUED FROM PAGE 3)

be folded back and become an additional carbon copy of the part of the application containing the name and address of the assured, location of property, effective date, amount, rate, commission, co-insurance, sprinkler credit and code numbers for occupancy and construction. The first copy of the application

is attached to the policy and becomes the form, the second goes to the fiduciary agent and the producer retains the third. Two of the tickets are to be forwarded by the fiduciary agent to the nearest Federal Reserve bank or branch; the fiduciary agent keeps the third.

Some questions have been answered by the manual applications, although there still appear to be no clear cut directions on how property should be described. Apparently, W D C will be satisfied with very simple and undetailed descriptions. The question of covering private passenger automobiles under policies covering dwellings is answered by a statement in the application that these vehicles are covered within the geographical limits of W D C's operations and that these vehicles must be "separately identified and valued."

Application form No. 11 is used as a supplement to the general application (No. 2) and not independently. It is required where properties are covered blanket and also where jewelry, furs, art objects, pleasure watercraft and pleasure aircraft are covered and, apparently, also when commercial automobiles are insured. It apparently is not required where private passenger automobiles are insured with the residence or its contents. The rules require that such cars must be specifically de-

scribed and valued, but the implication is that this may be done in the blank space of general application No. 2.

Form No. 11 consists principally of a tabular space in which there may be inserted the description and location of each item, applicant's interest, amount of coverage, rate, co-insurance, premium and the location, occupancy and construction code numbers. If several locations are written blanket, the instructions provide that only the approximate coverage for each state, territory, possession or coded city need be shown. Six copies of form No. 11 are required, in addition to the three copies and three tickets of form No. 2.

In New York, by mistake, more than 100 policies of the War Damage Corporation were given out together with a large quantity of the other forms, from the distribution room. It seems the W. D. C. inadvertently sent a package of the policies to the New York Fire Insurance Rating Organization that should have been sent to one of the companies. The rating organization has no record of whom the policies went to and it sent out an urgent appeal for their return to whomever may have got them.

There are still no guesses about the demand for this insurance or the possi-

ble premium volume, but most companies expect a heavy rush at first and many home offices have prepared for overtime work. Many financial institutions are much interested in this coverage and it is expected that many banks and building and loan associations will either require borrowers to carry it or at least strongly urge them to do, if they do not have authority to compel it.

#### Detroit Branch Wins Trophy

The Detroit branch office of Standard Accident has won the company's new branch office merit trophy, a perpetual one to be awarded annually to the branch attaining highest efficiency in operation. Award is based on volume, profit and collection on a point basis with 100 points as maximum—20 each for casualty, bonds, casualty profit and bond profit, and 10 each for casualty collections and bond collections. The Detroit branch had 85 points, Chicago 72 and San Francisco 64. The company was host to the Detroit staff at a banquet at which the trophy was presented by President Charles C. Bowen. C. L. Miller, branch manager, and Al A. Clark, bonding manager, spoke.

Write Accident & Health Bulletin, 420 E. Fourth St., Cincinnati, for plans for increasing sales.

## AMERICAN GLASS COMPANY'S FAST, RELIABLE PLATE GLASS REPLACEMENT SERVICE HELPS INSURANCE MEN KEEP PLATE GLASS INSURANCE Sold

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## Insurance Women Playing Bigger Part

(CONTINUED FROM PAGE 2)

views and the rationing of tires and gasoline emphasize the use of the telephone, which in turn makes it even more important to handle such calls in a pleasing and intelligent manner.

Loss adjustment should receive prompt attention, especially in view of the shortage of materials, priorities, lack of labor which tend to delay action, Mr. Liscomb said.

Men in agencies are so busy with outside activities that they may be lax in offering needed coverages to their clientele. If she is qualified to do so, the woman assistant in the agency can do much in suggested needed coverages and bringing assured's survey up to date.

### Greater Responsibility

Greater responsibilities will be thrown on efficient women in insurance business because of loss of men to the armed forces and to war production industry. Therefore it is more important that women prepare and train themselves for the jobs they are now doing and will be asked to do. Vicious competition between agencies whose forces have been depleted by the war effort are out of order, Mr. Liscomb pointed out. "These are not times for petty jealousies within or without an agency."

The insurance business must continue and be preserved during these hectic times, Mr. Liscomb declared. "The work of protecting the property values and safeguarding the lives of the nation has never been more important than during this emergency. Insurance must make it possible for capital to engage in these tremendous war projects which would otherwise be impossible. Our industry is a necessity during war as well as peace."

### MRS. MAYER'S ADDRESS

President Mayer stated in her address that the insurance business is one of gigantic proportions, very diversified and is comprehensive in its scope. Therefore it needs organized cooperation. Insurance men have long had their various associations and she sees real value of and need for the women's organized effort.

Mrs. Mayer said when the enterprise was established in Denver in 1940 considerable fear was expressed that back of the movement was a trade union motive. She thinks now that such ideas have been dispelled and said the purpose of the organization is to broaden the knowledge of insurance and to cultivate, endorse and foster good fellowship among members.

During the first year the National association had some 17 local clubs affiliated with it. Last June, at the meeting in Nashville, the number had been increased to 35. Now, Mrs. Mayer reports that Mrs. Sally Hartman, Commercial Standard of Ft. Worth, Tex., the first vice-president, announces that there are 45 clubs representing 3,500 women. The president paid special tribute to T. G. Redden of Greensboro, S. C., former president of the North Carolina Association of Insurance Agents and now a member of the executive committee of the National association, he being instrumental in forming several insurance women's clubs in North Carolina and also its state association.

The educational committee, Mrs. Mayer stated, has worked hand in hand with the educational department of the National Association of Insurance Agents.

### Employment Work

Miss Marie Bresch of Topeka, Kan., is head of the employment committee and this department will have considerable to do hereafter as office personnel is constantly changing due to war conditions.

Many women members have been

honored by speaking at conventions of state associations of insurance agents. President Mayer herself spoke before the National Association of Insurance Agents at its annual convention in Kansas City last year. This was the first time in the 26 years of that organization that a woman had been on the program or ever sat at the speakers' table at the annual get-together dinner.

Mrs. Mayer pointed out the special work that can be done by women during the war time. All are burdened with the many problems created by the war but people are equal to the emergency.

### C. J. Fitzpatrick's Talk

Secretary C. J. Fitzpatrick, United States Fidelity & Guaranty, spoke at the banquet and stressed the important part that women are playing in insurance. He said their importance had been put in a clearer light by the exigencies of war. In speaking of his own company he said it has 9,200 licensed agents. Of these 770 are women operating their own offices. Twenty years ago he said he doubted if there were 50 women. Women in key positions in general agents' offices number 3,745. By key women, he said, he meant those who know all the answers, know what rate a risk takes, what to do when claims arise and who are the best prospects in the community. The recognition of women in the insurance industry has been rapid. Ten years ago most of the women in insurance were those who had to take over the business due to death of husband or father. However, clerks and office managers have grown up in an agency and made themselves indispensable. Companies opened schools for their agents and key people and the women in the classes awakened to the fact that insurance is no longer a one sex proposition.

### War Has Wiped Out Prejudices

Mr. Fitzpatrick said that the war has swept away prejudice, customs and brought to women the opportunity to show that they can and will deliver the goods. In many departments the women can do the work just as efficiently and thoroughly as men.

Today the public is demanding the proof of usefulness from every business. Speaking for the companies he said that they should set forth a standard insurance contract, have a capable claim department that makes friends for the agent out of both claimant and assured. This is the best instrument in the interest of public good will that can be offered. War calls for regimentation and regimentation kills private enterprise. He told his listeners that they should not forget that it is capitalism, so called, or big business that is rolling out tanks, planes, guns and launching ships away ahead of schedule. During war time people are willing to sacrifice the power of individual choice and decision but it must demand that it be returned after the war.

### F. W. POTTER'S TALK

The important part that women can play in the insurance business, especially in wartime conditions, was outlined by F. W. Potter, field supervisor Aetna Casualty & Surety. "If there ever was a time," said he, "for women to become an influential factor in the insurance business, it is at the present time. During wartime, ours is an essential industry, and everyone connected with it has a wonderful opportunity to do his part in making it function efficiently."

"Large numbers of women have come into the business in the past year or so to handle the agencies built up by their husbands, their fathers, their brothers and others; and they are doing a splendid job. Many other women have recognized the opportunities of an insurance



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career and have built up a sizable business through their own efforts. Still other women are holding down positions as underwriters, both in agencies and in home offices, and other positions of responsibility formerly held by men.

"During a recent trip which took me from the Atlantic to the Pacific coast, I had the opportunity to talk with many insurance women, and it is my belief that generally speaking, they are bringing into our business much greater enthusiasm than has been shown by most of the agents who have grown up in it. They are willing to learn and they are willing to try many of the newer forms of insurance. They seem to realize that for the more than 162 different forms of insurance, there are thousands, even millions, of prospects."

Speaking on the subject, "The Big Six Lines," Mr. Potter stated that these lines offer agents little competition and tremendous sales possibilities. He listed them, together with their opportunities, as follows:

**Public liability** other than automobile: The new, broad, up-to-date comprehensive liability policy has opened a new era in the sale of public liability insurance. This policy has met with an enthusiastic response and should be sold by every agent. The personal liability policy, too, offers fine opportunities. There is no war exclusion under public liability insurance, and thus coverage applies if the claimant is injured during a blackout or as a result of the policyholder's participation in civilian defense activities.

#### Burglary and Robbery Cover

Burglary and robbery insurance: Recent broadening of these policies has made them much easier to explain and much more attractive to the buying public. Furthermore, due to "dim-out" and blackout regulations in many communities, burglars have a better opportunity to do their work without detection. Also, because many items are no longer being manufactured, stolen goods are easily sold at good prices. All of these factors combine to provide a greater need for all forms of burglary and robbery insurance today than ever before.

**Plate glass insurance:** With the cost of glass and the cost of labor much higher than ever before, the need for this coverage is obvious. Premiums have increased very little, and many agents are writing their renewals for a three-year period to protect their assureds against any increase in rate.

**Combination residence insurance:** Every homeowner today appreciates the value he has in his home and can easily be sold this all-embracing residence contract which includes not only residence burglary and all forms of residence and personal liability but also employers' liability with full medical aid, dog and saddle-animal liability, liability for minor children and water damage. The water damage clause, particularly, is more desirable today than ever before due to the difficulty in getting replacement parts and the high cost of labor for painting and carpenter work after a water-damage loss.

**Commercial water damage insurance:** This coverage offers a wide market. With large stocks being carried by stores, warehouses and manufacturing plants, the danger of a serious loss from water damage is great; consequently, it is little wonder that premiums in this line have increased greatly and will continue to increase.

**Fidelity bonds:** Due to the great turnover of employees in most businesses there never was a time when an employer needed the investigation services afforded by fidelity bond coverage as much as he does today. Because many of these new employees are working in positions of trust, agents will find prospects in a receptive mood when they solicit fidelity bonds today.

Copies of the "Business Opportunities for Insurance Office Women" booklet written by Ralph G. Hinkley, New England manager of American of Newark group, Boston, were distributed at the

convention. The booklet covers the history and general principles of insurance, gives pertinent advice on office practices and the use of manuals and rate books. Methods of handling office visitors including the bill payers, renewal orders, endorsement seekers and inquiries about the policies are outlined. A special section is devoted to the opportunities for inland marine sales collections, and an analysis of the "Stock Companies vs. Mutual" situation.

One of the features at the annual dinner Thursday evening will be the introduction of the song "Insurance Women" dedicated to the National Association of Insurance Women. Music is by Harold E. Taylor, advertising director American of Newark group, and the lyrics by Miss Alma Cox, secretary to Vice-president L. E. Falls of the American.

### North America Seeks Reactions to Annual Report

The North America has sent out to a representative group of agents and stockholders a questionnaire to secure their reactions to its annual report, which this year was considerably more detailed than heretofore and in different form. "Yes" and "no" boxes are placed alongside each question for the recipient to check his answer. Among the questions asked are:

The 1941 annual report of the company differed considerably from previous reports. Assuming a change was noticeable, did you think it to be an improvement?

Did you: Read the report, skim through it, ignore it?

Are you accustomed to reading annual reports of companies in which you own stock?

Have you found this report: As interesting as the average, more interesting, less interesting?

Insurance terms such as earned premium, incurred loss, loss ratio, etc., are often not understood by the public. Would a glossary or key to insurance terminology help you in understanding the report?

Would you prefer previous year's figures for comparison on balance sheet, operating statement and surplus accounts?

Would you be interested in pictures of company activities?

Would you prefer: More charts, fewer charts, no charts?

Would you miss the security schedules if they were omitted?

#### Awards for Best Traffic Films

Awards for the outstanding sound-slide production and the best institutional motion picture on safe driving produced in 1941 were presented to Liberty Mutual for its production, "Drive Defensively," and the New Jersey Motor Vehicle Department for its sound motion picture, "Steps to Safety."

Dr. Donald B. Armstrong, third vice-president of Metropolitan Life, presented the awards.

#### Ga. Conference Committee Named

ATLANTA—A committee on rules and forms to work with a similar committee from the Georgia Fieldmen's Conference with the objective of simplification has been announced by Rutherford Ellis, president of the Georgia Association of Insurance Agents. Lewis Swann, president of the field men's group is expected to announce his committee shortly. The agents' committee consists of C. A. Meriweather of Haas & Dodd, Atlanta, chairman; H. D. Morgan, president of the Atlanta Insurance Agents Association; H. C. Arnall, Newnan; Arthur Griffith, president Macon Association of Insurance Agents, and James Berry, president Augusta Board.

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and its affiliated companies write practically every form of insurance, except life.

*Service Offices located in principal cities.*

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## To Search for Economies in Reports to States

The report of the committee on blanks given at the National Association of Insurance Commissioners convention carried some recommendations as to war economies. The committee stated that it had been requested to act on a number of suggestions which would make for a reduction in printing and other economies both to companies and departments.

The committee, however, refrained from taking specific action on these and similar suggestions since such action might prove either unnecessary or inadequate. Therefore, the committee recommended that not later than September the situation be canvassed and that such concessions of this nature as may then seem appropriate be promulgated. Such action would not involve any changes in the printed association forms of annual statements. It is urged that all special exhibits requested by state departments be limited to those absolutely essential. This has no reference to the exhibits that are a part of the present association form.

## Agree to Comply with Tex. Formula

(CONTINUED FROM PAGE 4)

has just ordered a minimum for war damage insurance. Mr. Cousins said there was a minimum handling expense of at least \$3 for every policy.

Mr. Thompson reminded the board that no provision for adjustment of losses had been made in the new expense formula.

Mr. Mansfield said that of 358 hail claims already paid in Dallas for a recent storm, the average for shingle roofs was \$38.20 and for composition roofs was \$57.05, and said that the companies needed relief on composition roofs, both seacoast and inland. Mr. Roark pointed out that the companies had paid many claims for wind driven rain in Houston to avoid arguments and litigation. He said a higher tornado rate is mandatory.

Mr. Thompson also reminded the board that a commission of 20 percent on the normal in maximum fire credit towns, 290 of the 616 rated towns in the state, is actually 26 plus percent of the actual premium collected, and that the board should keep this in mind in making rate adjustments.

Only 24 companies have failed to file compliance agreements, and only 100 failed to file the pledges relating to appointment of agents.

## Excess Wins Reinsurance Issue in Illinois

(CONTINUED FROM PAGE 17)

prived Excess of its right to have defense. The appellate court found the deprivation of such right constituted prejudice without any actual proof that the result of litigation would have been different if proper notice had been given. The court also failed to agree with the receiver that because he instituted the suit he had greater legal rights than Central Mutual would have had if the suit had been started by it; that some sort of an estoppel should have been invoked which admittedly could not have been done against Central Mutual. The appellate court found this position untenable. The receiver was appointed Jan. 11, 1937, but the claim was barred long prior to that for failure to give notice of loss in accordance with the terms of the insurance contract.

"We know of no rule of law which will permit the maintenance of a suit by a receiver which was barred at the time of the receiver's appointment," the ap-

## Forms 'Ad' Agency



W. W. DARROW

NEW YORK—After several years effective free lance advertising and insurance sales promotional work, W. W. Darrow has established the Darrow Advertising Agency, with offices at 80 Maiden Lane here. The agency started with the accounts of America Fore, Hooper-Holmes Bureau, Northern Assurance and the automobile division of Standard Oil Co. of New Jersey. Mr. Darrow will continue to collaborate with Frank S. Ennis, advertising manager of America Fore, in the preparation of direct mail advertising, and as well will direct the national advertising campaign of Fidelity & Casualty.

Mr. Darrow has had more than 20 years association with insurance publicity work, which began as advertising manager for Home. He prepared its circular and pamphlet material and edited the house organ, "News from Home." Subsequently he was connected with the business production division of THE NATIONAL UNDERWRITER, resigning to join Brown & Bigelow, handling its insurance division. He then became editor of the house organ of the Hooper-Holmes Bureau in 1931, which work he will continue. His page cartoon, featured in the weekly issues of the "American Agency Bulletin" of the National Association of Insurance Agents for a number of years, have attracted much attention.

In his home community of West Englewood, N. J., Mr. Darrow has long been active in civic work.

pellate court found. "Under such circumstances, so we think, a receiver acquires no greater right than that had by the corporation at the time of his appointment."

## NEWS BRIEFS

C. J. Wittbecker, state agent of St. Paul F. & M. in Minnesota, who has been ill for the last few months, has sufficiently recovered to return to his home at Fergus Falls, Minn., and resume his field work on a limited scale. Mr. Wittbecker recently had an operation at the Mayo clinic at Rochester.

E. W. Raynold, head of the insurance department of Herberich-Hall-Harter Co., Akron, for the last 25 years, was given a farewell party upon his retirement due to ill-health. He has sold his home in Akron and with Mrs. Raynold will go south to rest and recuperate. The party was given by Walter Herberich, president of the agency, and was attended by the agency staff, home office and field men. Mr. Herberich presented Mr. Raynold luggage and other gifts from the office, and Bert O.

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Richmond, Va., Mutual Bldg. Phone Dial 3-8358  
Winchester, Va., Masonic Bldg. Phone Win. 5858

Evans, Glens Falls, Cleveland, presented a radio from field men of companies which the agency represents. Mr. Raynold's son, Ned, Jr., a field man of American, spoke. Mr. Raynold spent many years as field man for Glens Falls. His father, Robert, was one of the deans of Ohio field men.

Vernon D. Rooks, assistant Kentucky insurance director, has been promoted

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to first lieutenant in the active militia and assigned as personnel officer for second regiment headquarters.

W. F. Booker, Jr., a firm member of the Louisville agency of Booker & Kinnaid, has been commissioned a second lieutenant in the administrative branch of the army air corps. He is a son of Fred Booker, one of the founders of the firm.



# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Bottorf Now Heads Ill. Farm Agents

W. R. Bottorf of Macomb, Ill., was elected president of the Illinois Farm Insurance Agents Association at the annual meeting held in Peoria. He succeeds C. A. Swarm of Decatur. The secretary, Robert Stoutenborough, Mario, was reelected. Forrest L. Boden, London Mills, was named vice-president. The executive committee will be appointed by President Bottorf.

There was an interesting program of talks and open forums by a number of company men. The important part agents can play in cooperating with adjusters on farm losses was brought out in a paper prepared by J. A. Struck, staff adjuster of America Fore. Mr. Struck was unable to attend and the subject was handled by Clarence E. Castle, special agent National of Hartford, Rockford, substituting for Mr. Struck.

There was much discussion of the subject whether there shall be secured from farmers merely a list of articles, especially in connection with household goods insurance, or articles with prices fixed by the farmer. Some agents said the farmer fears to put a price down as he might be held to that figure. Other agents find that prices expedite adjustment.

However adjusters generally feel that a list without prices is better as they owe it to the farmer-assured to go over a loss with him item by item and arrive at a satisfactory valuation. It was the general feeling agents can be very helpful in this connection through knowing the farmer and deciding whether in a given instance prices should be called for or not. It was said that some farmers are unwilling to be limited by the prices shown in mail order catalogs, as they claim they buy better merchandise than that kind.

There is ever-present in farm insurance, it was commented, the important public relations factor. Farmers as a class are suspicious of "city slickers" and if they feel, even without cause, that they have been done wrong they are likely to injure a company's business in their territory by telling other farmers they got a raw deal.

#### Other Talks at Meeting

J. E. Cryan, assistant manager of the farm and hail department of America Fore, gave the talk on hail insurance which was digested in last week's issue. He noted that hail losses last year were reported from 58 Illinois counties, which shows the spread of damage and the real need for more adequate protection. Willis Van Pelt, First Banc-credit, Chicago, gave a talk on financing insurance premium on churches, school-houses, and so forth.

A resolution was adopted urging the Farm Association to adopt the electrical exemption clause for farm policies that is being used in the standard city dwelling form. Another resolution was directed to the agents, asking them to urge their old line casualty companies to introduce comprehensive O. L. & T. policies on farm risks to be sold at a special rate. The suggested coverage is similar to that introduced by an Ohio casualty company, and which has proved to be popular among farmers.

William J. Benz, Illinois state agent of America Fore, was called on for comments in connection with the death recently of Simon Stoeffel of McHenry,

local agent for more than 50 years who died recently. Mr. Benz reminisced about Agent Stoeffel.

Three movies were shown, the Underwriters Laboratories' "Fighting the Fire Bomb," a film on the burning of the Normandie and another on the Pearl Harbor attack.

Oscar Onsell, Springfield, invited the group to that city for the meeting next year.

### Fire Company Premiums in Ill. Up 13.9% in 1941

Fire and marine companies did 13.9 percent more business in Illinois in 1941 than they did in 1940, and paid out in losses 19.5 percent more than in the preceding year, according to the Illinois department.

Net premiums last year were \$77,948,602, an increase of \$10,893,437. Losses paid totaled \$34,851,238, increase \$6,795,781.

#### Proceed with Mich. Plans

The executive committee of the Michigan Association of Insurance Agents had a meeting in Lansing, and decided to proceed with plans for the convention on Mackinac Island, Sept. 4-5. In view of the importance of the problems of the business today it was decided that the meeting should be held.

The convention of the Upper Peninsula Agents Association will be held at Mackinac at the same time.

Senator P. M. Brown of Michigan has agreed to be the speaker at the dinner, and Walter H. Bennett of the National Association of Insurance Agents will be featured.

Guy M. Cox of Iron River, state association president, and John P. Old, Sault Ste. Marie, president of the Upper Peninsula association, will assume the main responsibility for the convention.

Mr. Cox and Mr. Old reported that they had reorganized the Sault Ste. Marie local board just prior to the Lansing meeting, making its membership coextensive with the state and National organizations, the 24th coextensive board in Michigan.

#### Kansas Dwelling Forms Broadened

WICHITA—New dwelling and household furniture forms, incorporating the changes recently made in other middle western states, became effective in Kansas this week. Among the changes are the new electrical apparatus clause, which no longer excludes electrical burnout caused by lightning, coverage of personal property outdoors on the premises and also in outbuildings, up to 10 percent of the contents item, coverage on outbuildings up to 5 percent of the dwelling item and inclusion of walks, pergolas, trellises, arbors and fences under the dwelling item.

The new forms also assume coverage on awnings against wind and hail damage under the supplemental contract, which is used instead of the extended coverage endorsement in Kansas, and provision is made for covering trees, shrubs and plants under the supplemental contract at a rate of \$2.20.

#### Test Nebraska Local Tax

LINCOLN, NEB.—A test of the occupation tax levied against fire insurance companies by towns and villages in the state is to be made in Nebraska supreme court by Hardware Mutual of Lincoln. A district judge at Holdrege entered judgment for \$5, the fee charged by the village of Axtell, although the company has no agent in

the village nor any physical property there. It does, however, have several policyholders secured by mail solicitation, and the district court held that this constituted "doing business" in the contemplation of the law. If the supreme court sustains this interpretation of the law it will have a far-reaching effect on mail order companies.

#### Inland Marine Course at K. C., Kan.

Twenty agents and employees of the Kansas City (Kan.) Association of Insurance Agents have completed the eight-hour course in inland marine insurance of the National association. Kansas City is the first local association in Kansas to establish the school. At the last meeting of the year reports on the survey of city insurance were given. A large "ad" was run in the Sunday papers regarding war damage insurance, which carried the names of all member agencies.

#### Line Up Minn. Questionnaires

ST. PAUL—Groups of agents who at the request of Commissioner Johnson have been studying a proposed licensing questionnaire have practically completed their work. With such suggestions as they have made or will make to him the commissioner will now proceed to draw up the questionnaires. He proposes to have a different one for each class of agents, fire, casualty, life, surety, etc. There will be both original and renewal forms.

Commissioner Johnson says the questionnaires will be fair but plenty stringent. He does not believe any new legislation is needed to enable him to tighten up on the qualifications of agents.

#### Minnesota Meeting Called

H. E. Reynolds of Duluth, chairman executive committee Minnesota Association of Insurance Agents, has called a meeting for Friday of this week at the St. Paul Hotel, St. Paul, at the time of the meeting of the National Association of Insurance Women. The agenda will include reports from the chairman of various committees including membership, M. G. Rolfson, Austin; legislation, A. W. Harris, St. Paul; education, Howard Williams, Mankato; license application, C. O. Brown, Rochester; fire prevention, H. E. Reynolds, Duluth; annual meeting, R. A. Thompson, Minneapolis.

#### Hold Iowa Fire School

AMES, IA.—The theme of the Iowa fire school at Iowa State College June 23-26 is "Mobilized for Victory." On the program are H. K. Rogers, Western Actuarial Bureau, Chicago; State Fire Marshal J. Strohm, Emmet Cox, assistant director Indiana fire schools; James Dalton of the FBI, Des Moines; Dr. O. R. Sweeney, head of the Iowa State College chemical engineering department, and H. J. Corcoran, chief engineer Iowa Insurance Service Bureau, Des Moines.

#### Send Out War Damage Postcards

WICHITA—The Wichita Association of Insurance Agents has adopted a postcard form for informing clients that the agents can handle war damage coverage and urgently recommending "making application for this vital coverage immediately."

B. J. Weldon of Dulaney, Johnston & Priest explained the war plans at an exceptionally well attended meeting. Carnot Brennan, Wichita director of the Social Security Board, spoke on "New Developments in Social Security." In lieu of the former mid-summer picnic and outing for office em-

ployes and families, it was voted to hold a strictly "stag" picnic July 24.

#### Caledonian's Minnesota Setup

G. D. Van Wagenen Company of Minneapolis announces that Caledonian will hereafter operate in Minnesota through that general agency. W. P. Canterbury has joined the Van Wagenen organization as special agent and will continue to service Caledonian agents. He is well known in the field and has had much engineering experience. He has been with Caledonian 19 years.

#### Kalamazoo Agents Elect

KALAMAZOO, MICH.—Dale S. Bloom of the Olmsted Agency has been elected president of the Kalamazoo Association of Insurance Agents to succeed Henry Pierce. Vice-president is Fred Daley; treasurer, Fred C. Walters, and secretary, Harry V. Wilson.

#### Smith at South Bend

SOUTH BEND, IND.—Charles H. Smith, co-western manager of Hartford Fire, Chicago, explained the War Damage Insurance Corporation setup before a meeting of the South Bend-Mishawaka Insurance Exchange. In view of the pressing insurance problems it was decided to continue meetings throughout the summer.

#### Want Someone to Act for Service

Recent insurance losses involving the property of men in the service and the difficulty in reaching soldiers, especially those in foreign service, prompted the Insurance Society of Columbus to advise that men entering the service name someone with power of attorney to act in their place during their absence. These persons would have power to adjust with insurance companies any losses that might arise.

#### Howe Heads New Minn. Regional

BEMIDJI, MINN.—At the organization meeting of the Lake Agents' Regional Association, Paul Howe, Bemidji, was elected president; O. E. Jantaas, Blackduck, vice-president, and Marvin A. Larson, Bemidji, secretary-treasurer. C. R. Hewitt, Dorset, is program chairman.

#### Compile Service Men's Record

KANSAS CITY, MO.—The Insurance Agents Association of Kansas City is compiling a record of all insurance producers in members' offices now with the armed forces. Members are asked to cooperate, indicating whether the absentee agent's business is being serviced while away or is under a purchase agreement. This information will only be used in case a controversy arises over pirating of business.

#### Emporia Officers Reelected

The Emporia (Kan.) Association of Insurance Agents at its annual meeting reelected all officers including W. C. Brown, president; J. A. McClure, first vice-president; F. L. Robinson, second vice-president, and Deloy E. Heath, secretary-treasurer.

#### Fred H. Wright with Hussey

Fred H. Wright of Topeka, president Topeka Finance Company, has purchased the insurance business of that firm and is now associated with the Hussey insurance agency as a broker.

#### Ohio Bureau Advances Krieger

Harry L. Krieger has been appointed chief engineer of the classification department of the Ohio Inspection Bureau to succeed the late H. J. Manning. He

was Mr. Manning's assistant for several years.

E. O. Johnson of the general department of the bureau has resigned to engage in inspection work for the government.

#### Ziegler Honors Associates

B. C. Ziegler, founder of the B. C. Ziegler Agency of West Bend, Wis., presented Oscar Klein, board chairman; D. J. Kenny, president, and Walter A. Ziegler, vice-president-treasurer, with gold watches in honor of their having completed a quarter of a century of service with the agency. The Ziegler agency is one of the oldest in central Wisconsin.

#### NEWS BRIEFS

New officers of the Insurance Women of Salina, Kan. are: Claudine Pawling, Richmond & Glover, president; Dorothy Anderson, Grosser Agency, vice-president; Betty Hinnenkamp, Otho Schmidt agency, secretary; Zelma Gagnon, John Kramer agency, treasurer.

New officers of the Insurance Women of Wichita were installed at the last

dinner meeting of the year. Leona Suhm, Harris-Burns & Co., is president; Loretta Blue, Anderson-Coombs, and Pearl Shoff, Home and Great American, vice-presidents; Viola Miller, Wheeler, Kelly, Hagney, secretary; Edith Semple, Dulaney, Johnston & Priest, treasurer, and Berneeda Faulk, Dulaney, Johnston & Priest, reporter.

D. M. Quinn, associated with his father, Willard Quinn, in the Kansas Underwriters, Wichita general agency, and big toad elect of the Sunflower Blue Goose puddle at Wichita, is conducting a series of courses in war gases and bombs for Wichita civilian defense units.

M. F. Lanphar, Detroit local agent, has been named regional commander of the civilian defense corps for Wayne, Oakland and Macomb counties in Michigan.

The Cuyahoga County Board (Cleveland) witnessed a showing of the Ohio Bell Telephone Company movie, "Mirror Voice," on how to use the telephone.

The Mutual Insurance Association of Cleveland held a dinner meeting and later attended the Cleveland-New York baseball game.

Orange City. In recognition of this national defense cooperation these communities have been presented framed citations signed by the National Board and officers of local and state agents' associations.

#### To Hold Mississippi Course

JACKSON, MISS.—The Mississippi Association of Insurance Agents will hold its annual educational course in Jackson, July 22-24. Due to the war situation the membership was polled on the desirability of holding the gathering and an affirmative vote resulted. Warner Wells, chairman educational committee, is now arranging the program.

#### Midyette Tallahassee President

TALLAHASSEE, FLA.—Payne H. Midyette, immediate past president of the National association has been named president of the Tallahassee Association of Insurance Agents. Dixon V. Herring is vice-president; M. W. Green, treasurer, and Alex Coakley, secretary.

#### Special Fire Prevention Campaign

The Chattanooga, Tenn. chamber of commerce is sponsoring a special fire prevention campaign beginning July 1 with Ira Jones and H. W. Spencer, local agents, serving on a special committee to direct the drive.

#### Increase Va. State Insurance

RICHMOND — Fire insurance on eight state-owned buildings in Capitol Square has been increased from \$718,000 to \$1,166,000 at a reduced premium

rate. The largest increase was on the Capitol building, from \$300,000 to \$550,000. Insurance on the finance building was increased from \$300,000 to \$473,000.

The new premium rate is .2155 cents per \$100, as compared to the old rate of .163 cents.

#### Va. Rating Bureau Parley

The annual meeting of the Virginia Insurance Rating Bureau was held at Richmond. The companies whose terms as members of the governing committee had expired were reelected, they being Phoenix of Hartford, Orient, National and Old Dominion Fire. L. O. Freeman, Jr., was reelected secretary of the governing committee and manager of the bureau. M. C. Speight is chairman of the executive committee and W. M. Goodman, vice-chairman.

#### Chattanooga Officers Reelected

CHATTANOOGA, TENN. — The Insurance Exchange of Chattanooga at its annual meeting reelected all officers, including Charles S. Colburn, president; James B. Irvine, vice-president; Charles G. Walline, secretary, and Preston S. Daniels, treasurer. Directors elected are Web. C. Brown, Hugh D. Huffaker, Walter Greenspan, Herbert W. Spencer and George Woody.

C. N. Richardson, branch manager Tennessee Inspection Bureau, addressed the Nashville Association of Insurance Women on "The National Board and the Compiling of Rates." The meeting was held at the James Robertson Hotel with Mrs. Hilda Lafever, president, presiding.

## IN THE SOUTHERN STATES

### American Fire & Casualty Enters Tennessee Field

American Fire & Casualty of Orlando, Fla., has qualified in Tennessee to write fire and allied lines and all forms of casualty insurance, except workmen's compensation. President Walter L. Hays states that agents will be established throughout the state within a short time. It has not been determined what deviation in rates will be made, if any.

### Will L. Harris Joins Memphis Life Company

Will L. Harris, prominent examiner for the Tennessee department, reported for duty Monday of this week with Cosmopolitan Life of Memphis. Mr. Harris has been with the Tennessee department for some time and has been one of the dependable men in the department. Cosmopolitan Life operates in Tennessee and specializes in industrial life insurance. H. W. Durham is president.

### Hostile La. Bill Withdrawn

NEW ORLEANS—A bill to abolish insurance exchanges in Louisiana, another which would have made the state a self-insurer, and a third to make fire and windstorm rates on public property mandatory, have been withdrawn from the Louisiana legislature. A number of other insurance bills have fallen by the wayside. G. E. Gillis, Jr., of New Orleans, chairman of the legislative committee of the Louisiana Association of Insurance Agents, and other members of the committee spent much time in Baton Rouge. Mr. Gillis says the decks have been pretty well cleared.

### Memphis Exchange Elects

MEMPHIS, TENN.—The Insurance Exchange of Memphis has elected Louis

Furbringer, president; D. Melvin Ols-wanger, vice-president; J. V. Montedonico, Jr., secretary. Directors are E. A. Angier, V. G. Hexter, R. R. Carrington, Will Johnston, Gilbert M. Schloss and Fred R. Warner.

The exchange ran a large display advertisement in the morning and afternoon papers and will have another the next Monday, giving information on war damage insurance.

The exchange has just completed the fire unit course in the National association's 100-hour course of study and after a one-hour review of the ten lessons the written examination were held this week. The classes have been well attended and interest continues to be high.

### Nashville Exchange Elects Turner

NASHVILLE — The Nashville Insurance Exchange has elected the following new officers: President, Paul W. Turner, Buell & Crockett, succeeding Charles E. Byron; vice-president, Vernon Sharp, Jr., Stokes-Bandy Co.; secretary-treasurer, J. Reeves Handly; directors, Alex Wade, Joe Bandy, Mr. Byron and the officers.

### Florida Cities Adopt Ordinance

TAMPA, FLA.—The following cities and towns of Florida have adopted the fire prevention ordinance of the state department of insurance, which is essentially the same as that suggested by the National Board: Clearwater, Daytona Beach, DeLand, Lakeland, Gulfport, Lake Wales, Live Oak, Lynn Haven, Marineland, Mount Dora and

## New Ky. President

James J. Hackworth of Shelbyville is the new president of the Kentucky Association of Insurance Agents, having been elected at the annual meeting recently in Louisville. He is with the Armstrong agency of Shelbyville.

Mr. Hackworth has evinced much interest in organization affairs and during the past year served as chairman of the rural agents' committee. The Kentucky agents association is one of the dependable organizations of the country and its meetings are always well attended.



J. J. Hackworth

## National Adjusters Make Some New Appointments

The National Adjusters with executive offices at 11 Commerce street, Newark, N. J., has announced a number of prominent appointments. They are:

Reading, Pa.—A. M. Tucker, resident adjuster, P.O. Box 35. He has had 30 years experience in all types of claims work for insurance companies, both as claims manager and independent adjuster.

Mr. Carmel, Pa.—C. M. Menapace, claims attorney, 121 West avenue.

Chambersburg, Pa.—167 Lincoln Way East, John McDowell Sharpe, claims attorney. He is a specialist in defense work for insurance companies.

Erie, Pa.—149 West 25th street, Paul M. Remaley, resident adjuster. He was formerly adjuster for the Travelers and the Loyalty group.

Oil City, Pa.—F. Harold Gates, resident claims attorney, 204 Fair building.

## Mass Meeting in Newark on War Damage Insurance

NEWARK—A mass meeting under the auspices of the Essex County Insurance Agents Association was held in the auditorium of American to discuss war damage insurance.

President Arthur L. Zimmerman of the association said "the agency force views its job as one of duty, though handling the war damage insurance may be without profit to them. We want to see that the policies are written correctly and properly at the very beginning."

Laurence E. Falls, vice-president of American, discussed the new insurance from the angle of fiduciaries. The meeting was attended by more than 100 agents, special and state agents from all sections of northern New Jersey.

## New Jersey and War Risk Cover

State Finance Commissioner Walsh of New Jersey has indicated that the

state is looking into the possibility of obtaining war risk insurance on at least a portion of its public buildings. He also stated that the New Jersey state highway department had already taken out war risk policies with the General of Seattle on nearly 20 of the most important bridges under its supervision. Coverage ranges between \$6,000,000 and \$7,000,000.

## Baltimore Has "Gasless" Outing

The Insurance Society of Baltimore and the home office of Fidelity & Guaranty Fire were not much worried over tires and gas in planning their outing this year.

The affair was held at Tolchester Beach, about two hours by steamboat from Baltimore. The trip by boat eliminated much of the problem of "how to get home safely."

A lively southern orchestra of colored musicians furnished good entertainment on the trip across the Chesapeake Bay and a shore dinner was served at Hotel Tolchester.

## New Baltimore Mutual Agency

M. Edward Saffran, formerly an active principal in the Mutual Insurance Agency of Baltimore, has established his own office under the title of Mutual Insurance Service.

The new organization represents a

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number of fire and casualty mutuals. The organization with which he was previously affiliated is still operated by Chester C. Jennings.

#### Worcester Patrol Reelects

WORCESTER, MASS.—The Worcester Protective Department (fire patrol) at its annual meeting reelected E. L. Sanders, Merchants & Farmers Mutual Fire, president; Harry Harrison, Worcester Mutual Fire, treasurer, and C. Conrad Parker of Ingraham, Parker & McPherson, secretary.

Loren C. Walden, superintendent of the patrol, was reelected for the 13th consecutive year.

#### O. J. Schooley Boston Manager

O. J. Schooley, who has been special representative for Central Manufacturers Mutual in Arkansas and Louisiana, has been appointed manager of the Boston office. He started with Central Manufacturers in the middle west in 1936.

#### Beverly, Mass., Board Elects

BEVERLY, MASS.—The Beverly Board has elected these officers: President, Leslie Morgan; vice-president, Harry Purinton; secretary-treasurer, Donald W. Nickerson. Homer W. Jones, special agent of Aetna Fire, spoke on war damage coverages.

The Rutland County (Vt.) Board of Underwriters elected H. E. Stafford, president; Charles Smith, vice-president, and Miss Cecile Lefrancoise, secretary.

## COAST

#### Special Rule Applied to Conserved Companies

SAN FRANCISCO—Where a company is in conservatorship, it is not necessary for it to conform to all regulations and rules governing companies being conducted by their owners and managers, according to an opinion by the California attorney-general's office in reply to a request from Commissioner Caminetti.

The opinion makes special reference to such matters as filing of annual statement forms, reports, policy forms, etc., as well as payment of statutory fees, and points out that there appears to be no reason why a certificate of authority should be issued to the insurance commissioner as conservator, although assuming that policy forms, riders, endorsements, etc., would conform to the law. Apparently issuance of the opinion will completely reverse the procedure now followed by the department in conservatorship matters, since it has been the practice of Commissioner Caminetti to maintain the identity of all companies under his control as conservator and to treat them exactly as if they were "going concerns," seeing to it that they comply with the law in filing statements, policy forms and the payment of all statutory fees.

#### Shift Seattle Hours

SEATTLE—Seattle insurance offices will probably move their office hours to 9:45 a.m. to 5:45 p.m., it was indicated after heads of various insurance organizations met with Kenneth Colman, chairman Seattle War Transport Commission which is seeking to alleviate the city's complex traffic condition. Both the Northwest General Agents Association and the King County Insurance Association have agreed to adhere to the 5:45 closing time, although the latter organization prefers 5:30.

Mr. Colman pointed out that moving insurance office hours to early hours would not help the situation, since the war industries and wholesale houses are

opening and closing early to avoid the five o'clock peak rush. E. R. Bowden, Seattle agency executive, was appointed a member of the transport commission to represent the insurance interests.

#### Approve Preliminary Membership

SAN FRANCISCO—At the semi-annual meeting of the Insurance Brokers Exchange of San Francisco, a new classification to be known as "preliminary membership" was adopted. Final voting on this amendment had been held up a week. It was created to induce newly licensed brokers to enter the exchange within 60 days after receiving their license but they must apply for one of the regular membership classifications within a year.

Charles E. Gibbs, secretary-manager for the exchange, has been appointed chairman of a special committee of the chamber of commerce and other groups to stimulate enlistments by school boys and adults to work on the farms and ranches of northern California.

#### Idaho Date Not Settled

President O. W. Nelson of the Idaho Association of Insurance Agents at Coeur d'Alene states that a tentative date for the annual meeting had been suggested but was subject to change. The organization is now contemplating holding its convention Aug. 21-22, but it is not definite.

The meeting will be held at Owyhee Hotel in Boise between Aug. 20 and Aug. 25. It will be a one-day convention.

#### Seattle Offices Moving

Removal of the offices of the Washington Surveying & Rating Bureau and the Washington Insurance Examining Bureau to the Alaska building, Seattle, is expected to be completed by the end of the month. Both offices were located in the Alaska building before their removal to the Exchange building about 12 years ago. They are returning to their old quarters, the navy having requisitioned their space in the Exchange building.

The Fire Companies Adjustment Bureau is moving from the Exchange building to 602 Colman building.

#### Okell Heads Brokers Society

SAN FRANCISCO—Jack Okell of Campbell, Okell & Co., has been elected president of the Society of Insurance Brokers of San Francisco. J. Vincent Meherin of Mark Meherin & Son was elected vice-president.

The society adopted several amendments to its constitution and general rules, principal changes being the creation of the offices of president and vice-president, instead of chairman and vice-chairman, and another which provides that an applicant for membership must be an American citizen.

#### Glassick Los Angeles Lecturer

LOS ANGELES—W. B. Glassick, past president of the Insurance Exchange of Los Angeles, lectured to the classes being held by the exchange on correct practices for agents, brokers and solicitors in the conduct of their business.

#### New Santa Monica Directors

The Santa Monica (Cal.) Association of Insurance Agents has elected as directors Harry Ashway, William Blackburn, Robert Gandy, R. L. McLean, P. G. Spriggs, William Thornbury and George Neilson. The board will meet July 1 to elect officers.

#### Prepare for Utah Meeting

Preparations are being made for the annual meeting of the Utah Association of Insurance Agents to be held in Ogden, Oct. 24-25. W. B. Glassick of Los Angeles will give a presentation of a model insurance office. Harold I. Callis of Santa Barbara, Cal., member

of the National association executive committee, will represent that body.

#### New Hollywood Officers

The Hollywood (Cal.) Association of Insurance Agents has elected these officers: President, Harold N. Field; vice-president, Leslie Hall; secretary-treasurer, Jack Dempsey.

#### NEWS BRIEFS

The Fox Insurance Agencies of Montevideo, one of the largest agency firms in southwestern Washington, has been sold by John E. Fox to C. L. Whitner. The name has been changed to Montevideo Insurance Agency.

John F. Hall, Tacoma, Wash., local agent, has been reelected president of the 50-year Club, men and women who have been residents of the state for 50 years or more.

David P. Pierce, 64, Seattle local agent, died at his home from a heart attack. He had been in the insurance department of Puget Sound Power & Light Company for 25 years before becoming an agent.

## MOTOR

#### Minnesota Fleet Ruling Is Applied to New Risk Only

ST. PAUL—To clarify its recent ruling on fictitious fleets, the Minnesota department amended its letter to companies to require them to report the name and address of the owner of each car insured under a fleet policy on policies issued subsequent to May 4 instead of on all policies, including those prior to that date.

The amended letter requires that all fleet policies written and effective prior to May 4, 1942, must be renewed on or before May 4, 1943, and must contain all the information required in policies now being written. The practice of adding motor vehicles to a fleet policy which are not eligible for fleet coverage, for which vehicles the manual rate is charged, will be permitted, provided the company writing policies in this manner notifies the department as to which cars are not being fleet-treated and lists the fleet rate as well as the rate charged on the vehicles not fleet-treated.

The ruling requires the reporting of all fleet policies; the question whether or not they are fictitious will be determined.

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mined by the department. All fictitious fleet policies issued and effective after May 4, 1942, must be cancelled. Any agent who misrepresents to his company the character of a fleet policy will be held accountable and disciplined by the department.

#### Ohio Auto Rates Modified

NEW YORK—Revised rates for pleasure cars in the eastern and two southern counties of Ohio, appearing in the manual of the National Automobile Underwriters Association, and effective as of May 4, have been recalled, and a new series of charges, retroactive to May 4, issued instead. The earlier rates provided an average increase of about 43 percent, while the substituted figures require an average advance of approximately 14 percent. A careful rechecking of the loss experience on which the first rate revision was predicated convinced directors of the governing organization that the stiff advance then promulgated was unwarranted.

B. H. German, special agent in Seattle of the National Automobile Theft Bureau, has suffered a heart attack and is confined to the Swedish Hospital. His condition is reported serious.

## CANADIAN

#### Quebec Blue Goose Elects

E. H. Shea, Quebec manager of the Hartford Fire, has been elected head of the Quebec Blue Goose. E. J. Beauvais and Mr. Shea will represent the pond at the grand nest meeting in Toronto in August. O. A. Chandler was elected supervisor; P. J. Ryan, custodian; D. A. MacDonald, guardian; R. LePage, keeper, and Mr. Beauvais, wielder. Mr. Beauvais is a candidate for grand keeper of the golden goose egg.

#### Quebec Brokers Name Geoffrion

MONTREAL—C. E. Geoffrion of Montreal was elected president of the Insurance Brokers Association of Quebec at the annual meeting. D. A. Hanson, Montreal, is chairman of the board; Arthur McBean and Stuart Rolland, Montreal; H. R. Bouffard, Quebec City, and Aime Guertin, Hull, vice-presidents; J. C. D'Auteuil, secretary-treasurer.

Strong objection was voiced against any possible relaxation in the province in the regulations affecting licensing of agents. It was pointed out that there is a proposition now before the provincial government to permit licenses for employees of industrial companies whose main interest is placing insurance on their own property.

#### Butler Heads Toronto Institute

TORONTO—W. C. Butler, Pearl has been elected president of the Insurance Institute of Toronto. Vice-presidents are A. J. Mylrea, Reed, Shaw & McNaught; N. J. Ross, Union of Canton, and P. L. Waylett, London & Lancashire. Secretary is Joseph H. King.

#### New Shaw & Begg Appointments

J. G. Hutchinson has been appointed secretary of Wellington Fire and G. A. Gordon secretary of Federal Fire of Canada to fill the vacancies created by the recent death of W. H. Buscombe, who was secretary of both companies. The new officers have been associated with the Shaw & Begg interests for many years, Mr. Hutchinson being sec-

retary-treasurer and Mr. Gordon fire manager of Shaw & Begg, Ltd.

#### Reduce P. P. F. Minimum

WINNIPEG—The Personal Property Floater Insurance Conference announces the reduction in minimum premium in Manitoba, Saskatchewan and Alberta from \$35 and \$30 to an irreducible minimum of \$25.

## MARINE

#### Two More Inland Marine Extensions in Maryland

The uniform definition of marine insurance has been modified in Maryland to permit the personal effects floater and the silverware floater to cover in the permanent residence of the assured. The two other common exceptions to the uniform definition, authorization of the personal property floater and extension of the furriers customers policy to allow certificates of insurance to be sold to customers of the assured, have been in force in Maryland for some time, Maryland being the first state in Eastern Underwriters Association territory proper to permit the personal property floater.

#### Gurney Assistant Secretary

NEW YORK—David U. Gurney, for the past four years connected with Jones & Whitlock, has been elected assistant secretary of the organization. Before his present connection Mr. Gurney was with Chubb & Son for several years.

#### Premium Financing Has Psychological Appeal to the Policyholder

Willis Van Pelt of the First Banccredit Corporation, in addressing the Illinois Farm Agents Association convention, suggested that even though the agent expects the term premium to be paid cash in advance it is well to let the assured know of at least two methods of paying for the term premium either of which will result in a considerable saving as compared with buying policies written one year at a time. It is sounder sales psychology, he said, to give a prospect a choice. The First Banccredit does not finance premiums for farm business but he pointed out that farm agents do write much business on school houses, churches, mercantile, etc.

Mr. Van Pelt suggested the agents avoid so far as possible in the presentation all finance terminology such as the words finance, percent, interest and even down payment. It is well to assume that the assured is financially able to pay for the term premium in advance so as to eliminate all possible risk of giving offense. The agent should know in advance what the proposed payment schedule is and the exact savings in dollars and cents. It is well to combine a visual and oral presentation. Mr. Van Pelt said it is economically unsound to buy or to sell any insurance written for one year at a time when it is eligible to be written for a term of years.

C. F. Liscomb of Duluth, former president National Association of Insurance Agents, and Mrs. Liscomb announce the engagement of their daughter, Miss Barbara Liscomb to Capt. John M. Allen of Orange, N. J. Barbara graduated from the University of North Carolina in 1940. Captain Allen is a graduate of Princeton University and is in active service with the field artillery. Mr. Liscomb's son is in the army aviation corps.

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TWIN BEDS \$3.50 AND \$4.50

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A. S. KIRKEBY, Managing Director

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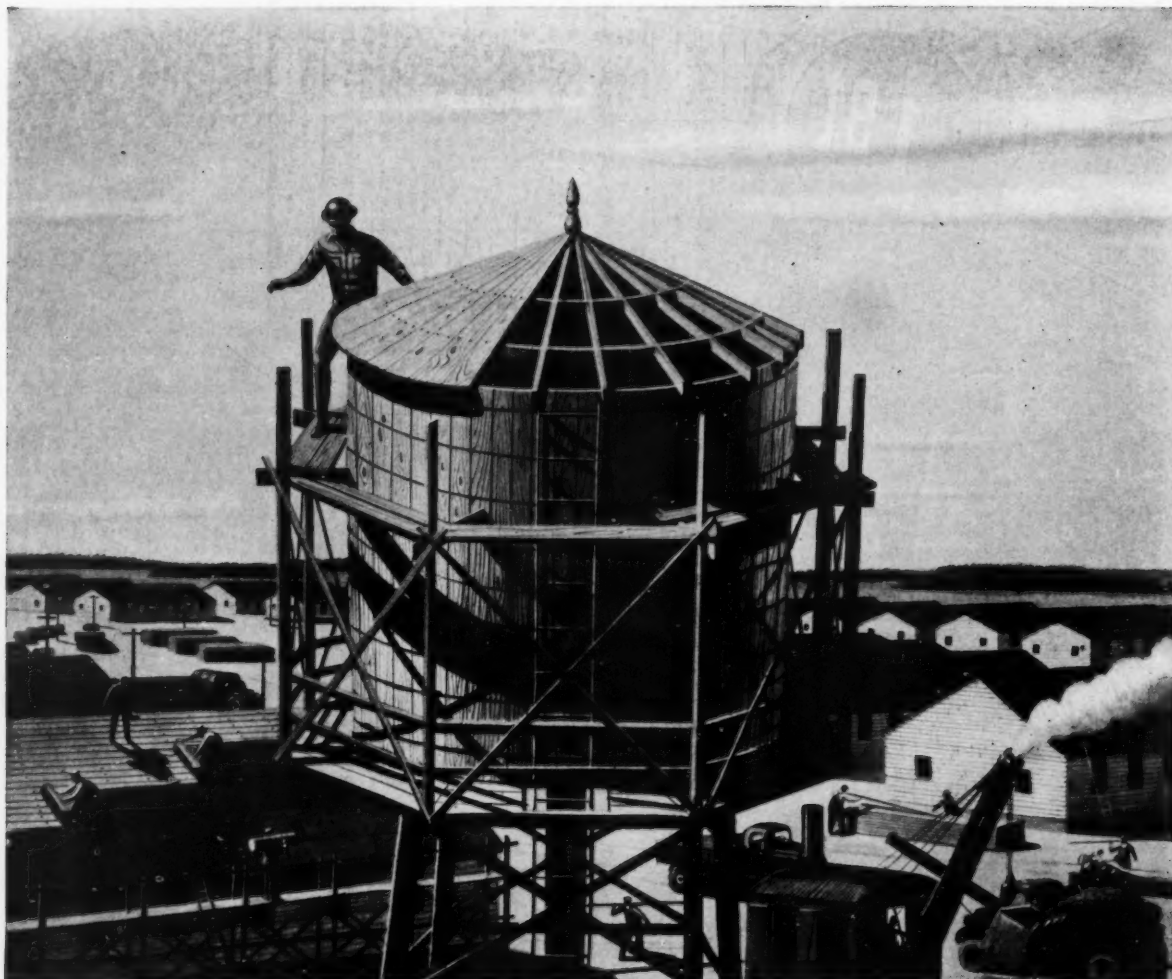
R. C. SWANSON, *Manager*

The Insurance Exchange Building is an insurance building for *all* insurance people. That's why it ranks first with leading insurance people in Chicago—that's why 175 West Jackson Boulevard is the nation's most famous insurance address.

Nowhere else in the country will you find a greater centralization of insurance activity under one roof. The Insurance Exchange Building is the recognized headquarters for agents, brokers and company officials. And, because over 95% of the fire and casualty insurance premiums produced in metropolitan Chicago are written in this building, it is only logical for insurance people and organizations to locate where insurance dollars go—in the Insurance Exchange Building.

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175 WEST JACKSON BLVD • CHICAGO



## This man is looking for Trouble

**T**HIS MAN'S SEARCH for trouble on a rush construction job has carried him from the bottom of pits to the top of water towers.

Specifically, he has found that lumber piles were leaning and improperly braced; that cement was being loaded on both sides of a highway, thus exposing employees to traffic while crossing the road.

Being sharp-eyed, he has spotted dangerously low electrical supply wires at the pump station, and loose planks on a water tower erection job. He saw wall board piled too high and being worked stack by stack, rather than by the safer method of working down all piles uniformly.

He came across a good many exposed nails in boards; discovered that the dynamite house was built too close to a garage. He also noted that some of the dynamite workers were leaving their sticks and caps unattended.

He detected scrap lumber and nail kegs being left around on slanting roofs, and found excavations that were not braced. He noted that employees in the cement plant had neither respirators nor goggles, and that the saw operators were without goggles.

All these things, which could be the cause of so much pain and disaster, are taken from the actual report of a man whose experience and training have fitted him for this particular kind of work.

He is a Travelers Safety Engineer.

He looks for trouble so that there won't be any. His job is to reduce accidents by seeking out their causes and eliminating them. His efforts increase production by decreasing the time lost from jobs. Frequently he is able to cut production costs by helping Industry to reduce the cost of its casualty and fire insurance.

It has always been important for American industry to pare accident losses to a minimum. But today it is vital. Now, when there is not an hour to lose in the battle of production, this man is of inestimable value to Industry.

There is a Travelers agent or insurance broker within easy call of every manufacturer and contractor. He can put these Travelers Safety Engineers to work for them.

Moral: Insure in The Travelers. All forms of insurance and fidelity and surety bonds. The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, Hartford, Connecticut.

*This advertisement appeared in the May 23 issues of The Saturday Evening Post and Business Week; also in Colliers, June 13, 1942.*









